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COMMISSION ON NARCOTIC DRUGS

REPORT ON THE THIRTY-FIFTH SESSION

(6-15 April 1992)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1992

SUPPLEMENT No. 5

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures.

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CHAPTER I

MATTERS REQUIRING ACTION BY THE ECONOMIC AND SOCIAL COUNCIL

A. Draft resolutions

1. At its thirty-fifth session, the Commission on Narcotic Drugs recommended to the Economic and Social Council the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Improvement of the functioning of the subsidiary bodies of the Commission on Narcotic Drugs*

The Economic and Social Council,

Noting the report of the Executive Director of the United Nations International Drug Control Programme on the nature, frequency and duration of the meetings of heads of national drug law enforcement agencies, requested by the Commission on Narcotic Drugs at its thirty-fourth session, and the comments thereon by the Commission as reflected in the report on its thirty-fifth session, 1/

Welcoming the possibility of more active participation of the Customs Cooperation Council and the International Criminal Police Organization in the meetings of subsidiary bodies of the Commission on Narcotic Drugs,

Aware of the ongoing examination of possible ways of scheduling various regional drug-law-enforcement-related meetings of United Nations bodies and organizations and intergovernmental organizations so as to increase cooperation between those bodies and organizations and to avoid duplication of effort and overlapping,

I

1. *Decides* to approve the application by Iraq for membership in the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East;

2. *Endorses* in principle that membership in the regional meetings of heads of national drug law enforcement agencies should be based on membership in the respective regional economic commissions;

3. *Reiterates* that observer status in all subsidiary bodies of the Commission on Narcotic Drugs is open to all States requesting such status;

II

4. *Decides* that in future the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East shall, in principle, meet once annually for a period of five days in one of the countries covered by the region of the Sub-Commission;

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* See paragraph 121 below.

5. Confirms that the Meeting of Heads of National Drug Law Enforcement Agencies, Africa, the Meeting of Heads of National Drug Law Enforcement Agencies, Asia and the Pacific, and the Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean, shall each continue to meet annually in a country of their respective regions;

6. Decides that the Second Meeting of Heads of National Drug Law Enforcement Agencies, Europe, shall convene in 1993 at the United Nations Office at Vienna;

7. Invites the Second Meeting of Heads of National Drug Law Enforcement Agencies, Europe, to review its schedule of future meetings, taking into account regional meetings organized by the International Criminal Police Organization;

III

8. Invites the Executive Director of the United Nations International Drug Control Programme to continue to explore possible means of rationalizing the schedule of regional drug-law-enforcement-related meetings so as to avoid duplication of effort and possibly free resources that could be used for other meetings;

9. Requests the Commission on Narcotic Drugs to further examine the functioning of its subsidiary bodies on a regular basis.

1/ Official Records of the Economic and Social Council, 1992, Supplement No. ... (E/1992/...), chap. IV, sect. E.

DRAFT RESOLUTION II

Measures to prevent diversion of precursor and essential chemicals to the illicit manufacture of narcotic drugs and psychotropic substances *

The Economic and Social Council,

Concerned about the diversion of precursor and essential chemicals from commercial channels to the illicit manufacture of heroin, cocaine and other narcotic drugs and psychotropic substances,

Recalling the provisions of articles 3 and 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 1/ and Table I and Table II of that Convention,

Noting the constructive work of the Chemical Action Task Force established by the heads of State or Government of the Group of Seven major industrialized countries and the President of the Commission of the European Communities at the sixteenth annual economic summit, held at Houston, Texas, in July 1990, in developing effective procedures to prevent the diversion of precursor and essential chemicals,

Noting also the recommendations contained in the final report of the Chemical Action Task Force, in particular those on international and domestic trade in substances subject to international control, together with the practical measures for preventing chemical diversion and for developing international cooperation between the competent administrative and law enforcement authorities,

Noting furthermore the decision by the Commission on Narcotic Drugs at its thirty-fifth session to add ten substances to Table I and Table II of the 1988 Convention,

Welcoming the outcome of the Conference on Chemical Control Operations convened at Lyon in September 1991 by the Government of the United States of America, in association with the International Narcotics Control Board, the Customs Cooperation Council and the International Criminal Police Organization, and the work that has subsequently taken place on the establishment of mechanisms for sharing information between the databases of those organizations and the establishment of procedures to verify the authenticity of applications for export authorizations,

Recognizing the importance of close collaboration between Governments and the chemical industry in preventing chemical diversion,

1. Invites all Governments which have not already done so to establish effective legislative, procedural and cooperative measures to implement article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988;

2. Underlines the importance of applying suitable regulatory measures, in accordance with the provisions of article 18 of the 1988 Convention, to every stage of the receipt, storage, handling, processing and delivery of precursor and essential chemicals in free ports and free trade zones and in other sensitive areas such as bonded warehouses;

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* See paragraph 143 below.

3. Invites the Secretary-General to develop suitable model texts for the implementation of articles 3 and 12 of the 1988 Convention, taking into account work already undertaken by organizations and bodies such as the European Economic Community, the Organization of American States and the Chemical Action Task Force;

4. Invites all chemical-manufacturing States to monitor routinely the export trade in precursor and essential chemicals in a way that will enable them to identify changes in export patterns that suggest the diversion of such chemicals into illicit channels;

5. Invites States in which precursor and essential chemicals are manufactured and States in regions in which narcotic drugs and psychotropic substances are illicitly manufactured to establish close cooperation in order to prevent the diversion of precursor and essential chemicals into illicit channels and, if necessary on a regional basis, to consider the establishment of bilateral agreements or arrangements where appropriate ;

6. Urges States that export chemicals essential to the illicit production of heroin and cocaine, namely acetic anhydride, acetone, ethyl ether, hydrochloric acid, methyl ethyl ketone (MEK), potassium permanganate, sulphuric acid and toluene, to establish suitable mechanisms to detect and prevent their diversion and illicit trafficking and, where there is a risk of diversion of or illicit trafficking in those substances, to ensure that:

(a) Exporters of those essential chemicals are identified;

(b) Exporters of those essential chemicals are required to keep detailed records of all export transactions, including details of ultimate consignees, and to make these available for inspection by the competent authorites;

(c) An export authorization is required in respect of any consignments of commercial quantities of those essential chemicals to any State that has been identified as being concerned by the illicit manufacture of heroin or cocaine on its territory or as sensitive as regards the possible diversion of essential chemicals, taking into account the relevant reports of the International Narcotics Control Board, the Customs Cooperation Council and the International Criminal Police Organization;

(d) Applicants for export authorizations are required to provide full details of ultimate consignees and transport arrangements;

(e) The competent authorities, in considering applications for export authorizations, take reasonable steps to verify the legitimacy of transactions, in consultation, where appropriate, with their counterparts in importing countries;

7. Recommends that, if permitted by the basic principles of their legal systems, States should strengthen law enforcement cooperation by applying the technique of controlled delivery at the international level in appropriate circumstances to suspect consignments of precursor and essential chemicals;

8. Requests the United Nations International Drug Control Programme, in preparing assistance programmes for law enforcement and other agencies in States and regions in which drugs are illicitly manufactured, to give priority to providing resources for improving communications, equipment and training in preventing chemical diversion;

9. *Invites* the United Nations International Drug Control Programme and national laboratories to consider how they might assist in developing reliable field and laboratory testing methods to be used by national law enforcement agencies and laboratories in identifying scheduled chemicals;

10. *Invites* Member States to consider how to fund the production and distribution of the field testing kit developed by the Laboratory of the United Nations International Drug Control Programme;

11. *Invites* the International Narcotics Control Board to consider, in consultation with Governments, the feasibility of compiling and making available to Governments information on the global pattern of trade in scheduled chemicals, bearing in mind the resource implications of such a requirement and the need to protect information of a commercially sensitive nature;

12. *Also invites* the International Narcotics Control Board to publish and maintain a directory containing the following information:

(a) The names, addresses and telephone and telefacsimile numbers of the administrative and law enforcement authorities responsible for regulating or enforcing national controls over precursor and essential chemicals;

(b) A summary of the regulatory controls that apply in each State, especially with regard to the importation and exportation of substances listed in Table I and Table II of the 1988 Convention;

13. *Requests* the General Assembly to allocate adequate resources from within the existing level of resources of the regular budget of the United Nations to enable the International Narcotics Control Board and the United Nations International Drug Control Programme to discharge their functions under the present resolution and article 12 of the 1988 Convention;

14. *Commends* the Customs Cooperation Council for its work in establishing a discrete tariff code in the Customs Nomenclature for each of the substances specified in Table I and Table II of the 1988 Convention;

15. *Invites* the Customs Cooperation Council to establish a discrete tariff code for any new substance commonly used in the manufacture of narcotic drugs and psychotropic substances, the monitoring of which the International Narcotics Control Board might consider to be justified;

16. *Invites* Governments to establish close cooperation with the chemical industry with a view to identifying suspicious transactions of precursor and essential chemicals and, where appropriate, to encourage the industry to establish codes of conduct to complement and enhance compliance with regulatory requirements;

17. *Requests* the Secretary-General to transmit the present resolution to all Governments for consideration and implementation.

1/ United Nations publication, Sales No. E.91.XI.6.

DRAFT RESOLUTION III

Demand for and supply of opiates for medical and scientific needs*

The Economic and Social Council,

Recalling its resolutions 1979/8 of 9 May 1979, 1980/20 of 30 April 1980, 1981/8 of 6 May 1981, 1982/12 of 30 April 1982, 1983/3 of 24 May 1983, 1984/21 of 24 May 1984, 1985/16 of 28 May 1985, 1986/9 of 21 May 1986, 1987/31 of 26 May 1987, 1988/10 of 25 May 1988, 1989/15 of 22 May 1989, 1990/31 of 24 May 1990 and 1991/43 of 21 June 1991,

Emphasizing once again that achieving a balance between licit supply of opiates and the legitimate demand for opiates for medical and scientific purposes constitutes an important aspect of the international strategy and policy of drug abuse control and that resolving the problem of excess stocks of opiate raw materials is an essential step in that direction,

Noting the fundamental need for international cooperation and solidarity in overcoming the problem of excess stocks, which has been imposing heavy financial and other burdens on the traditional supplier countries,

Having noted the valuable recommendations made by the International Narcotics Control Board in its special reports on the demand for and supply of opiates for medical and scientific needs, 1/, 2/

Having considered the report of the International Narcotics Control Board for 1991, 3/, in particular paragraphs 81 to 88 on the demand for and supply of opiates for medical and scientific needs,

1. *Urges* all Governments to continue to give serious consideration to ways to bring about rapid improvement in solving the problem of excess stocks of opiate raw materials held by the traditional supplier countries;

2. *Requests* all Governments to take measures to implement the Economic and Social Council resolutions on the demand for and supply of opiates for medical and scientific needs, particularly in the light of the cautionary note contained in paragraph 82 of the report of the International Narcotics Control Board for 1991 3/ to the effect that 'starting in 1992, projected figures show that world production of opiate raw materials may cease to be below global consumption of opiates';

3. *Commends* the International Narcotics Control Board for its efforts to monitor the implementation of the recommendations contained in its special report for 1989 on the demand for and supply of opiates for medical and scientific needs, prepared in conjunction with the World Health Organization 2/;

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* See paragraph 175 below.

4. *Encourages* the International Narcotics Control Board to continue its informal discussions with the main producers of raw materials for opiates and the main importers about the supply and demand question during sessions of the Commission.

5. *Requests* the Secretary-General to transmit the present resolution to all Governments for consideration and implementation.

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[1] United Nations publication, Sales No. E.82.XI.4.

[2] United Nations publication, Sales No. E.89.XI.5.

[3] United Nations publication, Sales No. E.91.XI.4.

B. Other matters requiring action by the Eonomic and Social Council

2. At its 1076th meeting, on 15 April 1992, the Commission discussed its programme of future work and priorities under agenda item 6. It drew up the provisional agenda and list of documents for its thirty-sixth session, to be held in 1993, and decided by consensus to submit the following draft decisions to the Council for adoption:

I

Provisional agenda and documentation for the thirty-sixth session of the Commission on Narcotic Drugs*

At its ... plenary meeting, on ... 1992, the Economic and Social Council approved the following provisional agenda and documentation for the thirty-sixth session of the Commission on Narcotic Drugs:

1. Election of Officers.

2. Adoption of the agenda and other organizational matters.

   Documentation

   Provisional agenda
   Annotated provisional agenda

3. General debate: Examination of the world situation with respect to drug abuse, including illicit demand, illicit trafficking and illicit supply:

   (a) General statements;
   (b) Substantive debate and conclusions.

   Documentation

   Reports by the Secretariat (as necessary)

   Reports of the regional HONLEAs and of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East

   Report of the International Narcotics Control Board (Relevant part)

   Reports of intergovernmental and non-governmental organizations in consultative status with the Economic and Social Council

4. Activities of the United Nations International Drug Control Programme.

   Documentation

   Report of the Executive Director on the work of the United Nations International Drug Control Programme

5. Implementation of the international drug control treaties:

   (a) Changes in the scope of control of substances;

Documentation

Report of the Secretary-General (as necessary)

(b) International Narcotics Control Board;

Documentation

Report of the International Narcotics Control Board for 1991 (relevant parts)

(c) Other urgent action required under the international drug control conventions.

Documentation

Note by the Secretariat (as necessary)

6. Monitoring of the implementation of the Global Programme of Action and of the implementation and development of the United Nations System-Wide Action Plan on Drug Abuse Control.

Documentation

Note by the Secretariat

7. Administrative and budgetary matters.

Documentation

Note by the Secretariat

8. Draft agenda of the next session and future work.

Documentation

Note by the Secretariat

9. Other matters.

Documentation

(as necessary)

10. Adoption of the report of the Commission at thirty-sixth session.

3. At its 1069th and 1070th meetings, on 10 April 1992, the Commission discussed the report of the International Narcotics Control Board for 1991. The attention of the Council is drawn to the Commission's comments, contained in chapter V of the present report. In that connection, the Commission recommended to the Council the adoption of the following draft decision:

II

Report of the International Narcotics Control Board

At its ... plenary meeting, on ... 1992, the Economic and Social Council took note of the report of the International Narcotics Control Board for 1991.

4. At its 1076th meeting, on 15 April 1992, the Commission adopted by consensus the report on its thirty-fifth session, and requested the secretariat to submit the following draft decision to the Council for adoption:

III

Report of the Commission on Narcotic Drugs

At its ... plenary meeting, on ... 1992, the Economic and Social Council took note of the report of the Commission on Narcotic Drugs on its thirty-fifth session.

Chapter II

EXAMINATION OF THE WORLD SITUATION WITH RESPECT TO ILLICIT DRUG DEMAND AND TRAFFICKING, INCLUDING GOVERNMENT COUNTERMEASURES IN THE CONTEXT OF THE GLOBAL PROGRAMME OF ACTION

5. At its 1061st-1067th meetings, on 6, 7, 8 and 9 April 1992, the Commission considered agenda item 3, entitled "General debate: (a) Report of the Executive Director of the United Nations International Drug Control Programme; (b) Examination of the world situation with respect to drug abuse, including the implementation of the Global Programme of Action". Under item 3(b), measures to control and to reduce illicit demand, illicit drug trafficking and illicit supply were covered in distinct sub-items. For its consideration of the item the Commission had before it the report of the International Narcotics Control Board for 1991 (E/INCB/1991/1), reports of subsidiary bodies (E/CN.7/1992/3), a note by the Secretariat on the implementation of the Global Programme of Action (E/CN.7/1992/6), the report of the Executive Director of the United Nations International Drug Control Programme (UNDCP) on the operational and other activities of UNDCP in 1991 (E/CN.7/1992/7), a report on drug abuse and trends (E/CN.7/1992/8), and a report on the implementation of targets 1-7 and 29-35 of the Comprehensive Multidisciplinary Outline of Future Activities in Drug Abuse Control (E/CN.7/1992/9). It also had before it reports of the regional meetings of heads of national drug law enforcement agencies and of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East (E/CN.7/1992/CRP.3-6), seizure data on the illicit traffic in narcotic drugs and psychotropic substances (E/CN.7/1992/CRP.9), financial data on operational activities in 1991 (E/CN.7/1992/CRP.10), and reports of intergovernmental and non-governmental organizations on drug control activities undertaken in 1991 (E/CN.7/1992/CRP.11-12).

A. Illicit drug supply and trafficking

6. Most speakers expressed their deep concern about the dramatic increase in drug abuse and illicit production of and trafficking in narcotic drugs and psychotropic substances, which was adversely affecting the environment and the political, economic and social fabric of society, as well as threatening the stability, national security and sovereignty of an increasing number of States. Drug abuse was increasing in several countries and emerging in others, particularly developing countries in Africa, as a by-product of the transit traffic. Illicit drug trafficking was becoming better organized and more difficult to combat, especially because of its linkages with the illicit trade in weapons and with terrorism; political instability in different parts of the world had led to the emergence of new sources of illicit drugs, new illicit markets and new illicit trafficking routes.

7. Many speakers provided details on recent trends in the illicit traffic in their countries. While some reported that the situation was stable, many others described worsening conditions with the appearance of relatively new substances, such as crack or the amphetamine "ecstasy". Some detailed new trends in illicit trafficking routes, particularly through Eastern Europe, and in the means of transport (for instance, by *transport international routier* (TIR) lorries operating on the Balkan route). Several speakers presented their countries as being mainly transit States, owing to their geographical position in relation to producer and consumer countries. They emphasized the difficulty of controlling numerous points of entry and other land, sea and air approaches to their countries.

8. One theme referred to by most speakers in connection with measures to control and to reduce the illicit supply of narcotic drugs and psychotropic substances was the growing emphasis on international cooperation. Several speakers mentioned that in the past there had been a conflict between consumer and supplier countries, and that countries in one group had tended to place responsibility for changing the situation on those in the other. In the last few years it had become clear that international collaboration was a precondition for progress in the fight against drug trafficking; the question had become not how drug abuse control could benefit each country, but how each country could advance the cause of drug abuse control in collaboration with its neighbours.

9. The representatives of several developing countries reported that their Governments had made major commitments, both financial and political, in attacking illicit drug production and trafficking on their own soil. Those efforts were commended by the representatives of some drug-consuming countries, and it was agreed that the existing political will must be maintained. Cooperation was essential not only between countries but also between agencies with law enforcement functions, regardless of the designations of those agencies.

10. The importance of attacking every point on the illicit drug trafficking chain, from illicit production to money laundering, was emphasized. The evaluation of the effectiveness of drug control programmes had hitherto not been given adequate priority.

11. One recurring theme was that there was a need to pay equal attention, on the one hand, to the suppression of illicit drug production and trafficking, and, on the other, to the reduction of illicit drug demand, which had been underemphasized to a large extent.

12. Many speakers reported a growing number of bilateral and multilateral agreements, signed between their Governments and those of neighbouring countries or of countries in the same region, on specific aspects of the drug problem, especially the suppression of illicit traffic. The formation of UNDCP thus coincided propitiously with the emergence of a new and positive international spirit.

13. Many speakers stated that collaboration efforts should be undertaken primarily at the regional and subregional levels, as regional and subregional strategies and agreements were likely to have the greatest impact. Information networks and intelligence-sharing, as well as personnel training, should be developed initially on a regional basis.

14. Several speakers emphasized that although in some circles strong arguments were being made in favour of legalizing the use of some or all drugs currently under control, their Governments were opposed to such action as it would imply that the use of such drugs was acceptable or could be condoned. Such legalization could result in the widespread abuse of such drugs, particularly among younger people.

15. Several speakers asserted that a major component of any programme for the suppression of illicit drug traffic must be an appropriate judicial and administrative infrastructure. It was important to provide technical assistance for the development of suitable legislation and to train staff to implement that legislation. It was essential to be able to prosecute drug traffickers when they moved to other locations, even to other countries, to avoid prosecution; and that entailed one national judicial authority relying on another to extradite drug traffickers or to try them in their country of refuge.

16. The representatives of several countries, highlighting the efforts that had been made in their countries in recent years to arrest and convict drug traffickers, mentioned that lack of resources was the main reason that more had not been accomplished in that area; therefore, assistance from developed countries, possibly channelled through UNDCP, would be valuable. It was important to frustrate drug traffickers' attempts to undermine the criminal justice system and society at large by corrupting the judiciary or law enforcement authorities. Reinforcement of the criminal justice system had been a major factor in achieving progress in the campaign against drug traffickers in the Andean subregion, but the drug traffickers still had the financial and other resources required to fight back.

17. Wider use of the technique of controlled delivery to identify major drug traffickers was advocated by several speakers, one of whom reported on new legislation to make that possible. It was observed that there was a need to develop ways of using the technique more successfully. That would require increased cooperation between countries and between different agencies, especially customs and police.

18. Patterns of illicit drug trafficking continued to change as new drug trafficking routes were constantly emerging. Many countries were encountering problems with illicit drugs primarily because they were being used as transit countries. A transit country might be a country on a direct line between a producer country and a consumer country, or it might be a country in which drug traffickers had perceived the law enforcement and surveillance machinery to be weak and their chances of being detected to be slight. The removal of internal borders within the European Community in 1993 might create extra problems for such countries, and this concern was being addressed by the European Community and its member States. There was growing evidence that wherever illicit drugs were transported through a country, some abuse of those drugs, primarily through "spillage", would soon occur.

19. Several speakers stated that the cost of limiting illicit drug trafficking to a level at which drug traffickers would be deterred was more than the national economies of their countries could bear. It would require the redeployment of resources needed for more desirable improvements in other sectors of development, such as health or education. The provision of financial resources by drug-consuming developed countries might therefore be considered. It should also be kept in mind that when countries tightened their drug control, drug traffickers moved their operations to countries with more lenient drug control. Such a development had contributed to the increase in the number of transit points in African countries in the last few years. The implications of such a development, combined with spillage, were ominous.

20. A participant from a country with a particularly serious transit problem stated that the most effective weapon for fighting illicit drug trafficking was better information and intelligence, and that agreements between countries to improve the quality and flow of intelligence should have high priority.

21. The growing importance of attacking illicit drug trafficking by controlling assets generated by drug traffickers was seen as a major development in drug abuse control. Some speakers reported that strong measures were being taken in their countries to seize the assets of suspected drug traffickers and to prevent them from converting into legitimate assets money they had gained through drug trafficking. Several speakers strongly supported the idea that UNDCP should take the initiative in further developing such measures, in informing countries of their existence, and in assisting interested countries in their implementation.

22. Some speakers referred to the work of the Financial Action Task Force, established by the heads of State or Government of the Group of Seven major industrialized countries and the President of the Commission of the European Communities at the fifteenth annual economic summit, held in Paris in June 1989, and strongly supported the continuation of work in that area. One participant from a developing country reported that banking secrecy had been abolished in his country. Another emphasized the need to identify financial havens. One problem was that money laundering offered financial benefits to the countries involved. Some speakers commended the use of seized assets to finance programmes to reduce illicit drug demand.

23. One speaker mentioned that whereas crop substitution had been a strategy for reducing the illicit supply of drugs for 20 years, it seemed that there was no consensus on its effectiveness. According to some reports, it was difficult to find cash-crop substitutes whose value came close to that of the crops to be replaced, and the low standard of living of the peasant farmers concerned had to be improved markedly before any substitution of crops could be attractive to them. Other speakers stated that finding financially viable alternatives was primarily a matter of carrying out sufficiently detailed analysis of local agricultural patterns. Furthermore, if peasant farmers were to be encouraged to produce legal cash crops, they must have better access to markets, particularly in richer countries; thus, protectionism was becoming more and more an obstacle in the fight against drugs.

24. The representatives of some countries, including those in the front line of the battle against illicit drug trafficking, emphasized the need for close supervision of the modes of transport used for such illicit activities. That would entail a considerable extension of bilateral and multilateral agreements to permit the surveillance and inspection of ships on the high seas, irrespective of the flag of registry they might be flying. It was suggested that UNDCP and the Customs Cooperation Council (CCC) should collaborate closely in that matter, given the crucial importance of relations between customs officials and the traders and carriers who made up the transport industry. An accurate registry of vessels must be maintained as an essential component of their collaboration in that field. The observer for one intergovernmental organization reported a regional initiative to link seaports in an information network similar to that already existing between airports.

25. Many speakers noted that the illicit manufacture of narcotic drugs and psychotropic substances could be effectively reduced by denying traffickers the precursors and essential chemicals used for that purpose. In that connection, there was evidence that precursors and essential chemicals were being smuggled from Europe, where controls were often less strict, back along the Balkan route to the areas of production. A consensus emerged on the need to develop and improve the techniques used to disrupt the flow of such substances.

26. Several speakers emphasized the importance of preventing the diversion of precursors and essential chemicals used in the illicit manufacture of narcotic drugs and psychotropic substances. Some suggested that although the problem had long been under review, the controls currently in force were inadequate. It was also pointed out that both the controls and their enforcement needed to be significantly strengthened.

27. Some speakers emphasized the serious environmental consequences of the illicit manufacture of narcotic drugs and psychotropic substances. Damage could be caused by cultivation techniques and actual production. Cultivation often involved "slash-and-burn" techniques, which degraded the soil, destroyed local vegetation and polluted the air. Production techniques entailed the dumping of large amounts of toxic waste into rivers and streams.

28. At its 8th meeting, on 13 April 1992, the Committee of the Whole considered agenda item 7, entitled "Other matters". It had before it the report on the meeting of the Expert Group on Clandestine Laboratory Investigation, held at Seoul from 2 to 6 December 1991 (E/CN.7/1992/CRP.8). After endorsing the recommendation of the Expert Group, the Committee, in view of the fact that the Commission was considering the inclusion of 10 additional substances in Table I or Table II of the 1988 Convention, expressed its strong wish to see the Secretariat proceed with the preparation, publication and distribution of guidelines on methods for the safe and effective seizure and destruction of narcotic drugs, psychotropic substances, precursors, essential chemicals and clandestine laboratories.

29. Several speakers commended the work of the Laboratory of the United Nations International Drug Control Programme, adding that national narcotics laboratories in their countries would be willing to collaborate with UNDCP. The representative of the Republic of Korea suggested that the Doping Control Centre at Seoul would be available to serve as a collaborative regional training centre for methods used in the analysis of drugs of abuse.

30. At its 1075th meeting on 15 April 1992, the Commission adopted a draft resolution entitled "Control of proceeds from illicit traffic in narcotic drugs" (E/CN.7/1992/L.10), sponsored by Colombia, France, Germany, Greece, Italy, Switzerland and United Kingdom of Great Britain and Northern Ireland. For the text, see chapter XI, section A, resolution 1 (XXXV).

31. At the same meeting, the Commission adopted a draft resolution entitled "The initiative 'debt for alternative development'" (E/CN.7/1992/L.15), sponsored by Bolivia, Colombia, Egypt, Nigeria (on behalf of States members of the Commission which were members of the Group of 77) and Peru. For the text, see chapter XI, section A, resolution 2 (XXXV).

32. In the discussion that followed the announcement of the adoption of the draft resolution, the representatives of France, Hungary, Japan, Russian Federation, United Kingdom and United States expressed their disappointment at what they considered the hasty adoption of resolution 2 (XXXV), which thus did not actually reflect a genuine consensus, especially in view of the fact that agreement had been reached on an alternative text that had been under negotiation. The representative of the United Kingdom stated that his delegation had not participated in the adoption of the resolution. Apart from procedural questions, objections to the resolution in its adopted form centered on the fact that the Commission was not considered the appropriate forum to deal with the debt issue, which was better pursued on a bilateral basis, taking into account the situation in individual countries. In that context, the representative of Japan stated that due to legal and financial difficulties, the Government of Japan was not prepared to accept the concept of the resolution. A motion by the representative of the United Kingdom to reconsider the resolution under rule 55 of the rules of procedure was rejected by 19 votes to 15, with 6 abstentions.

33. At its 1076th meeting, on 15 April 1992, the Commission adopted a draft resolution entitled "Illicit drug cultivation and manufacture: a threat to the ecosystem" (E/CN.7/1992/L.16), sponsored by Bolivia, Colombia, Czechoslovakia, Ecuador, Mexico, Peru and Venezuela, a revised draft resolution entitled "Proposed measures concerning legal cooperation and legal assistance" (E/CN.7/1992/L.17/Rev.1), sponsored by Bolivia, Chile, Colombia, Ecuador, Mexico, Norway, Peru, Uruguay and Venezuela, and a revised draft resolution entitled "Control of illicit drug supply" (E/CN.7/1992/L.18/Rev.1), sponsored by France, Germany, Greece and Italy. For the texts, see chapter XI, section A, resolutions 3 (XXXV), 4 (XXXV) and 5 (XXXV).

B. Illicit drug demand

34. Some speakers reported a significant reduction in the demand for illicit drugs, particularly cocaine and cannabis, that was directly related to intensified efforts in that area. Others reported an increase in the demand for illicit drugs, mainly heroin, cocaine and cannabis.

35. Most speakers underlined the need to emphasize demand reduction at least as much as supply reduction in the fight against illicit drugs. Many stated that more importance should be attached to strategies to reduce illicit drug demand. Several speakers said that reducing illict drug demand should be accorded the highest priority. Many said that there had been much more emphasis on illicit drug supply than on illicit drug demand, and that there was a need for a more balanced approach in the fight against illicit drugs.

36. Several speakers said that because reducing illicit supply and reducing illicit demand were related, there should be an integrated approach to dealing with those aspects of the drug problem.

37. Almost all those who spoke on the subject described the array of programmes and activities undertaken to reduce illicit demand in their countries. Several speakers reported successful information campaigns aimed at the general public or specific population groups. Many emphasized the important role played by education and the mass media in combating the illicit demand for drugs. A number of speakers stressed that the family and the community had a pivotal role to play in strategies aimed at preventing or limiting the spread of drug abuse.

38. Several speakers reiterated the need to tackle the drug abuse problem among various population groups, particularly street children, indigenous persons, children from dysfunctional families, prisoners and working people. Stress was put upon the need to reduce the harm to individuals and communities caused by illicit drug use.

39. Many speakers emphasized that the treatment and rehabilitation of drug-dependent persons were important components of programmes for reducing illicit demand. The treatment and rehabilitation modalities described ranged from low-threshold treatment and detoxification programmes to rehabilitation programmes tailored to the needs of their participants.

40. Some speakers said that the treatment approaches used in their countries had been changed since the advent of human immunodeficiency virus (HIV). Methadone programmes as well as schemes for exchanging syringes had been introduced because of the relationship between HIV transmission and the use of syringes to take illicit drugs, particularly heroin. It was stated that any negative effects of such programmes and schemes were outweighed by their positive effects.

41. Several speakers mentioned the relationship between crime and illicit drug use. One suggested that between 70 and 90 per cent of the crimes committed in his country were related to drug abuse. It was argued that reducing illicit demand would decrease the amount of drug-related crime.

42. Many speakers emphasized the need to collect accurate information on drug abuse. It was important that UNDCP should prepare a unified annual estimate of the extent of the illicit drug situation to aid the Commission in its deliberations on that subject. For that reason, efforts to develop the International Drug Abuse Assessment System should be vigorously pursued. Information systems were being established in many countries, through

cooperation and coordination with those efforts, so that a truly global picture of the extent of drug abuse, as well as its patterns and trends, could be achieved.

43. Several speakers stated that UNDCP should conduct sociocultural or socio-economic studies in an attempt to analyse the root causes of drug abuse. One speaker said that UNDCP, in addition to assessing the extent of drug abuse, should do more to publicize its successful endeavours in the field of illicit demand reduction.

44. Several speakers mentioned the need for continuing close cooperation and complementarity between the demand reduction efforts of UNDCP and United Nations specialized agencies, particularly the World Health Organization (WHO) and the International Labour Organisation (ILO), as well as international and regional intergovernmental and non-governmental organizations.

45. Several speakers supported the idea of holding meetings of national programmes for the reduction of illicit drug demand every other year, with meetings of heads of national law enforcement agencies (HONLEA) being held in the intervening years, in order to avoid financial implications for UNDCP.

C. Government activities to implement the Global Programme of Action

46. Several speakers, noting the importance that their Governments attached to implementing fully the Global Programme of Action adopted by the General Assembly at its seventeenth special session, 1/ said that all States should face up to their responsibilities and obligations by adopting measures to implement the activities described in it.

47. Some speakers expressed regret that the international drug control treaties and other comprehensive strategies, particularly the Global Programme of Action, were not being effectively implemented in many countries because of a lack of political commitment. Often Governments had other priorities or were not consistent in carrying out their policies. There was frequently a lack of balance between policies to combat illicit drug supply and those to deal with illicit drug demand, drug abuse, prevention and the treatment of drug-dependent persons. In some countries, drug trafficking crimes were not being prosecuted effectively and the resources necessary for viable drug control programmes were not available.

48. Several speakers referred to measures to ensure, as a matter of priority, the prevention or reduction of drug abuse with a view to combating illicit drug demand, such as the setting up of national coordinating mechanisms involving national or non-governmental agencies to deal with illicit drug demand, drug abuse, prevention and the treatment of drug-dependent persons. Campaigns had been initiated to increase awareness, particularly among young people, of the harmful effects of drug abuse. The Commission was informed that the European Plan to Combat Illicit Drugs, adopted at Rome in December 1990 by the European Council of Heads of State and Governments of the European Community, had given priority to illicit demand reduction and to measures to deal with the social and health problems associated with illicit drugs, including acquired immunodeficiency syndrome (AIDS).

49. The Commission was informed by the observers for ILO and WHO of activities undertaken by their organizations involving the treatment, rehabilitation and social reintegration of drug-dependent persons, with a view to implementing the Global Programme of Action.

50. Several speakers referred to measures taken in their countries to eradicate illicit cultivation of the opium poppy and the coca bush. They considered that economic and technical cooperation was essential to the continuation of support for programmes involving crop substitution and integrated rural development. It was recognized that more vigorous international efforts should be directed against illicit opium cultivation and illicit heroin production, particularly in the opium-growing areas in Afghanistan and Myanmar. It was noted that UNDCP had a key role to play in that regard.

51. Several speakers stressed the importance of joint efforts to combat illicit drugs and provided detailed information on measures taken to further increase the effectiveness of drug law enforcement through bilateral and multilateral agreements or arrangements. Such agreements and arrangements had helped to enhance joint operations and exchanges of information, resulting in increased seizures of illicit drugs and their precursors, the confiscation of illicitly gained assets and the dismantling of illicit drug trafficking networks. In that connection, mention was made of the comprehensive proposals contained in the Declaration of San Antonio, signed by Bolivia, Colombia, Ecuador, Mexico, Peru, the United States of America and Venezuela at San Antonio, Texas, on 27 February 1992. Another novel regional initiative to enhance cooperation and coordination was the convening at Bangkok in March 1992 of the First Ministerial Conference on Cooperation on Drug Abuse Control, in which the Lao People's Democratic Republic, Myanmar and Thailand participated. In Europe, there was continued close cooperation between the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden), between the member States of the European Community and within the Pompidou Group of the Council of Europe. Reference was also made to regional initiatives to enhance cooperation among countries on the Balkan route. Regional cooperation was also furthered through the initiatives of the Association of South-East Asian Nations, the Colombo Plan Bureau and the Inter-American Drug Abuse Control Commission of the Organization of American States.

52. Many speakers emphasized the importance of universal adherence to the international drug control treaties and of strict implementation of their provisions. States not parties to those treaties were urged to apply them provisionally, pending the entry into force of each treaty. Some speakers, noting the urgent need for the effective control of psychotropic substances, expressed deep concern that a number of States manufacturing such substances had not yet became Parties to the Convention on Psychotropic Substances of 1971. 2/ Others were concerned about the inefficiency of existing mechanisms to prevent diversion of pharmaceutical preparations containing substances listed in Schedules III and IV of the 1971 Convention. The meeting was informed of initiatives undertaken within the framework of the European Community and the Pompidou Group to strengthen export controls for those substances. One speaker stated that his Government was finalizing its arrangements for ratification of the 1971 Convention.

53. Some speakers reported that their Governments were completing the required internal procedures for ratification of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988. 3/ Several referred to the enactment of new, or the amendment of existing, legislation enabling their Governments to comply with the provisions of the 1988 Convention. The penal codes of several States had been amended in order to provide for more stringent penalties for drug trafficking offences. Some speakers also referred to measures adopted to strengthen the judicial, legal and law enforcement systems, in particular in the area of justice administration, as well as the adoption of measures to protect the judiciary from intimidation.

54. UNDCP was commended for giving priority to the complex task of assisting States in harmonizing their national legislation with the provisions of the international drug control treaties, particularly the 1988 Convention. A number of participants emphasized the need to establish an effective administrative and judicial infrastructure, complemented by properly equipped and well-trained law enforcement agencies, in order to enforce the relevant legislative provisions. Support was expressed for the training programme being implemented by UNDCP. Some speakers said that their Governments accorded high priority to training and commended UNDCP for its excellent work in preparing the United Nations Drug Law Enforcement Training Manual: A Guide for Law Enforcement Officials.

55. With regard to the implementation of the provisions of the 1988 Convention, emphasis was placed on action against money laundering and the adoption of measures to facilitate the confiscation of the proceeds derived from illicit traffic, action to combat drug trafficking on the high seas, and initiatives to develop effective cooperation between customs authorities and international commercial carriers. Several speakers reiterated the importance of depriving drug traffickers of the proceeds derived from illicit traffic. They expressed the strong support of their Governments for the recommendations of the Financial Action Task Force, adding that UNDCP should play a major role in implementing those recommendations. Particular reference was made to the positive results obtained by the establishment of bilateral and multilateral agreements, especially in the area of mutual legal assistance, to enable courts to give effect to overseas confiscation orders from other countries. The meeting was informed of efforts within the Pompidou Group to prepare a convention to facilitate the implementation of the provisions of article 17 of the 1988 Convention, concerning illicit traffic by sea, particularly those on procedures to enable flag States to respond quickly and effectively to requests made to them to stop and board vessels suspected of being used for illicit traffic. In connection with article 17, attention was drawn to the importance of making illicit trafficking by sea a criminal offence under national law and maintaining a complete database of vessels in the registry of flag States. Several speakers pointed to the importance of implementing the recommendations of the Chemical Action Task Force relating to article 12, concerning the monitoring of substances frequently used for the illicit manufacture of narcotic drugs and psychotropic substances. In their view, UNDCP and the International Narcotics Control Board had a major role to play in that regard. Mention was made of measures adopted to implement the provisions of article 7, concerning mutual legal assistance, and article 11, concerning the use of the technique of controlled delivery. With regard to article 10, on international cooperation and assistance for transit States, one speaker suggested that UNDCP should undertake a detailed analysis of transit routes with a view to facilitating the efforts of such States to counter illicit drug trafficking along those routes.

56. Some speakers reported increases in the diversion of arms and in the linkages between illicit drug trafficking, organized crime and terrorism in their countries. They stressed the importance of implementing measures to curtail the flow of arms to drug traffickers and reported on measures taken by their Governments to that effect.

57. Several speakers from developing countries referred to the high costs incurred by their Governments in combating illicit drug trafficking and preventing drug abuse, while others referred to the costs incurred by their Governments in controlling the licit cultivation of the opium poppy. It was stated that, in view of their weak economic and financial situation, often characterized by high unemployment or poor infrastructure, especially in rural

areas, and the lack of trained and experienced personnel in drug control matters, most developing countries were ill-equipped to effectively combat illicit trafficking and drug abuse. It was suggested that developing countries, particularly those that were transit States, should be provided with the necessary financial and other assistance to cope with illicit drug trafficking. The meeting was informed of technical assistance in the field of drug abuse control provided through bilateral cooperation or regional mechanisms.

58. At its 1076th meeting on 15 April 1992, the Commission adopted a draft resolution entitled "Declaration of San Antonio" (E/CN.7/1992/L.8), sponsored by Bolivia, Colombia, Ecuador, Mexico, Peru, the United States of America and Venezuela. For the text, see chapter XI, section A, resolution 6 (XXXV).

Chapter III

STRATEGY FOR THE UNITED NATIONS INTERNATIONAL DRUG CONTROL PROGRAMME

59. At its 1061st-1067th meetings, on 6, 7, 8 and 9 April 1992, the Commission considered agenda item 3(a), entitled "Report of the Executive Director of the United Nations International Drug Control Programme". It had before it the report of the Executive Director of UNDCP on the operational and other activities of UNDCP in 1991 (E/CN.7/1992/7), a note by the Executive Director on a strategy for UNDCP (E/CN.7/1992/7/Add.1), and financial data on operational activities in 1991 (E/CN.7/1992/CRP.10).

60. The Executive Director considered the current situation with regard to drug abuse and illicit traffic to be so critical that the fight against illicit drugs might be lost unless there was concerted international action involving the participation of all States. The explosiveness of the situation was due to the growing availability of illicit drugs, the expansion of communications, socio-economic factors, changes in attitudes and in values, and increased criminal activity. People generally abused illicit drugs to rebel or to assert their identity during adolescence, for recreational purposes, or in an attempt to escape from social, economic or personal problems. The Executive Director stressed the importance of sharing responsibilities and the fact that, while international action to deal with drug-related issues was necessary, it was vital within each country to involve society at large in the search for solutions commensurate with the scale of the drug problem. He said that the multifaceted nature of the problem made central unified coordination indispensable, and served as the basis for the very existence of UNDCP.

61. The Executive Director stated that UNDCP could not and did not intend to be a means of substituting for the efforts of Governments to deal with drug problems; nor could UNDCP assume responsibility for defending developed countries against the threat posed by the influx of illicit drugs from developing countries or serve as an instrument for furthering the interests of developing countries vis-à-vis developed countries. UNDCP was, instead, a framework for concerted analysis of the requirements for international action, an instrument for reaching consensus among States on action to combat all aspects of the drug problem, and the motivating force behind and the coordinator of such action.

62. The Executive Director outlined a strategy containing two parts: first, a continuation of the current approach, which consisted in containing the situation by dealing with the most pressing problems, keeping in mind the limitations of that approach; and secondly, the elaboration of a novel, long-term approach. One of the guiding principles of the strategy would be the adoption of a fresh perspective on the interaction between reducing the supply of illicit drugs and reducing the demand for such drugs. Drug abuse should be considered a type of high-risk behaviour, and its links with underdevelopment and social and personal misery should be emphasized. He stressed the need to concentrate less on the illicit drugs themselves and more on the underlying causes of drug abuse. Another guiding principle would be the development of a global approach that would take into account the economic and social factors at the root of the drug problem. A third guiding principle would consist in becoming proactive instead of reactive; that would imply developing programmes that focused on linkage and coherence among projects rather than merely developing projects that were geographically dispersed and unrelated.

63. The Executive Director said that one short-term objective of the strategy was the establishment of a new partnership with society at large. He stated that drug problems were encountered by individuals, families and communities, often in association with conditions of poverty. Referring to the important role played by non-governmental organizations, he indicated that NGOs would be given an enhanced role in the implementation of the strategy. Another short-term objective entailed dealing with drug abusers, particularly by sharing experiences and looking for solutions appropriate to local situations. Still another short-term objective was universal adherence to and strict application of the international drug control treaties and the harmonization of national legislation with the provisions of those treaties. Controls to prevent illicit drug production and manufacture and to deal with illicit drug traffic should also be improved.

64. The medium-term objectives of the strategy entailed prevention, joint action with developing countries, and the development of regional approaches. The Executive Director emphasized the importance of educational programmes targeting young people and the use of the family and the community as focal points for an effective prevention policy. The development of North-South and South-South cooperation was also emphasized. Action would be pursued in developing countries in the context of economic development. UNDCP would act as a catalyst for action against illicit drugs by ensuring that United Nations entities, as well as regional and global financial institutions, took into account the drug dimension in their programmes. The development of regional and subregional approaches was a primary medium-term objective.

65. The long-term objectives of the strategy were the attainment of cultural change, social reconstruction and integrated rural development. The drug subculture must be demystified; the glamorous image of drug abusers and drug abuse must be radically changed. In striving to achieve the goal of making rural and urban environments less conducive to the emergence and spread of drug abuse, particularly through rehabilitation and the exchange of experiences at the community level, due account must be given to the loss of perspective, poverty, underdevelopment and despair felt by the outcasts of society.

66. In developing the strategy, UNDCP would act as a repository of knowledge, expertise and experience in drug abuse control. UNDCP should become a source of useful and valuable information acting as part of an interface between the institutions and individuals involved in the fight against illicit drugs. It was important for UNDCP to develop an effective communication policy to enable communities to view problems in a dynamic manner. UNDCP should work towards the stimulation and coordination of action with policy makers that would lead to the adoption of appropriate policies. Another activity involved supporting States in their efforts to provide assistance, training and education. The adoption of appropriate legislation was also an important priority as it provided the framework for action. The Executive Director informed the meeting that UNDCP would also support research and explore new angles from which the drug problem could be approached. With regard to fund-raising, UNDCP would cooperate in identifying resources, rationalizing their use and optimizing returns on investment. He emphasized the importance of evaluating options and past action and analysing programmes currently being implemented with a view to assessing their impact for UNDCP in relation to the strategy.

67. In concluding, the Executive Director said that, in the development and implementation of its strategy, UNDCP would emphasize complete transparency vis-à-vis the members of the Commission. He considered it a prerequisite that he should be accorded the required amount of delegated authority in personnel and financial matters. At the same time, in order for UNDCP to meet the

challenge, the international community should ensure that the means provided to the Programme were commensurate with the problems involved.

68. All those who spoke on agenda item 3 (a) commended the Executive Director for his report on the activities undertaken by UNDCP since the thirty-fourth session of the Commission.

69. There was broad support for the strategy for UNDCP outlined by the Executive Director. Several speakers commended the comprehensive, balanced and integrated approach of the strategy, adding that, with its new focus, UNDCP would be in a better position to orchestrate action at the regional and global levels and to ensure coordination of efforts within and outside the United Nations system. They strongly supported the new approach, which attached equal importance to reducing illicit demand, curtailing illicit supply, and combating illicit traffic in narcotic drugs and psychotropic substances. There was considerable support for the establishment of improved cooperation between all those involved in combating illicit drugs, particularly non-governmental organizations. Priority would be given to efforts to achieve the objective of universal ratification and effective implementation of the international drug control treaties and to assist States in combating money-laundering and in monitoring substances frequently used in the illicit manufacture of narcotic drugs and psychotropic substances. Some speakers made the point that UNDCP should be viewed as an instrument for translating into cooperation programmes the agreements adopted by the member States of the Commission. They expressed the view that the coordination function of UNDCP in the implementation of technical cooperation programmes should take place within the framework of the various organizations of the United Nations system, and that the coordination of national policies was the exclusive prerogative of the States themselves, being the work of intergovernmental forums such as the Commission.

70. Several speakers stressed the importance of according higher priority to reducing illicit drug demand and to continuing the close cooperation between UNDCP, ILO and WHO in that area. One speaker said that emphasis should be placed on achieving practical results by giving more attention to technical cooperation activities. Other speakers stressed the need for UNDCP to complete, as soon as possible, the final phase of its restructuring. One speaker expressed the view that the structure of UNDCP should be streamlined and that the principle of equitable geographical distribution should be reflected in its staffing.

71. There was agreement that the establishment of UNDCP was an essential precondition for the United Nations to play a more prominent role in international efforts to combat illicit drugs. Several speakers reiterated the support of their Governments for the initiatives taken by the Executive Director to ensure that UNDCP became the focal point for coordination, providing effective leadership in United Nations activities in international drug control, and to further develop the UNDCP policy framework in order to strengthen international cooperation, while avoiding duplication of effort.

72. Several speakers commended the Executive Director for establishing, in March 1992, a centre at Bangkok to assist States in South-East Asia in drawing up national master plans and in monitoring the implementation of a subregional strategy involving China, Myanmar and Thailand. The regional centre should, in their view, be strengthened to better deal with the reduction of illicit drug demand so that it could become the leading institution in drug abuse prevention in the region. Others commended the Executive Director for strengthening subregional cooperation efforts to counter illicit drug traffic

in South-West Asia by initiating joint programmes to be implemented in the border areas of Afghanistan, Iran (Islamic Republic of Iran) and Pakistan. It was stressed that those initiatives to strengthen transborder cooperation were crucial to efforts to combat illicit traffic in opiates from and through South-East and South-West Asia.

73. Some speakers, while stressing the importance of promoting regional cooperation, considered it equally important to develop country-specific strategies based on the master-plan concept, taking into account the particular historical, political and socio-economic factors of each country. They said that UNDCP should, as a matter of urgency, strengthen its field adviser network in order to provide direct assistance to States through its technical cooperation activities.

74. Some speakers commended UNDCP for improving the coordination of United Nations drug control efforts and for its initiatives to influence drug-related policy outside the United Nations system. In their opinion, the capacity of UNDCP to influence the direction of such policy, both inside and outside the United Nations system, would, in the long run, be a critical element in the development of a more effective global approach to tackling the drug problem. There was strong support for initiatives to begin dialogue with international financial institutions, particularly the World Bank and regional development banks, so that they might include a "drug dimension" in their overall lending and programming policies. The development by UNDCP of the concept of swapping debt for alternative development would, in the view of several speakers, greatly assist developing countries in their efforts to combat illicit drugs.

75. In endorsing the objectives of UNDCP, many speakers emphasized the need to provide the necessary financial and human resources to the Programme. It was felt that an increase in the contributions made by Governments to the Fund of UNDCP would facilitate the fulfilment by UNDCP of its mandates and would enable it to pursue a viable technical cooperation programme. It was suggested that the General Assembly should provide UNDCP with additional financial resources from the regular budget of the United Nations. The Meeting was informed that the European Community and its member States would continue to support the operational activities of UNDCP through voluntary contributions. Some speakers mentioned that their Governments would continue to be donors to the Fund with a view to strengthening UNDCP activities. The view was expressed that fewer conditions should be attached to the contributions made to the Fund and that there should be more general-purpose contributions. Another speaker said that his Government had increased its general-purpose contributions to UNDCP in 1992.

76. Some speakers said that it was important to provide the Executive Director with the requisite degree of delegated authority in financial and personnel matters. Others stated that the financial rules under which the Fund was managed should be flexible so that they would not constitute an unnecessary constraint on the Executive Director in making decisions on resource allocation. Some speakers, however, expressed the view that it would be useful to continue to strengthen and perfect the normative base of UNDCP in the administrative and financial area, claiming that this would not adversely affect the required level of flexibility, but would contribute to the efficiency and effectiveness of UNDCP activities.

Chapter IV

REVIEW OF THE UNITED NATIONS SYSTEM-WIDE ACTION PLAN ON DRUG ABUSE CONTROL AND RELATED ACTIVITIES OUTSIDE THE UNITED NATIONS SYSTEM, INCLUDING COORDINATION AT THE INTERNATIONAL LEVEL

77. The Committee of the Whole, at its 5th meeting, on 10 April 1992, and the Commission, at its 1071st meeting, on 13 April 1992, considered agenda item 5(a), entitled "Promotion of coordination and cooperation at the international and regional levels". Each had before it a document containing reports of subsidiary bodies (E/CN.7/1992/3), a report by the Secretariat on the implementation of Commission resolution 1 (XXXIV) (E/CN.7/1992/4), a report of the Executive Director on the five-year plan to implement the Global Programme of Action adopted at the seventeenth special session of the General Assembly (E/CN.7/1992/10 and Corr.1), a note by the Secretariat on the programme of future work and priorities (E/CN.7/1992/12) and reports of the regional meetings of the subsidiary bodies (E/CN.7/1992/CRP.3-6). Coordination within the United Nations system was a theme also referred to by the Commission during consideration of agenda item 3, entitled "General debate".

A. Activities of specialized agencies

78. The observer for ILO stated that the continuing expansion of the programme of ILO reflected the increasing worldwide attention being devoted to reducing illicit drug demand. ILO was pursuing an integrated and interdepartmental approach aimed at mobilizing all its available experience and expertise in the international campaign against drug abuse. Close inter-agency contact was being maintained in order to enhance collaboration within the framework of the United Nations System-Wide Action Plan on Drug Abuse Control. A significant result of those efforts had been the formulation of a large-scale joint project involving UNDCP, ILO and WHO for the development of model programmes for the prevention of drug and alcohol abuse among workers and their families. ILO, in collaboration with WHO and the International Maritime Organization, planned to carry out another project designed to develop measures to reduce drug and alcohol abuse in the maritime transport industry. Similar arrangements would be developed with other United Nations specialized agencies in areas of mutual concern. ILO was currently collaborating with or assisting some 30 countries, mainly in Africa and Asia, in carrying out research, in conducting orientation and training courses, and in developing policies and programmes in the community and the workplace. Two important interregional projects had been pursued in 1991: a comparative analysis of exemplary workplace programmes in several European countries, Canada and the United States, which had been presented at a tripartite symposium held at Washington, D.C., in May 1991; and an international conference on improvements in the exchange of information on workplace initiatives designed to prevent or reduce drug and alcohol abuse, held in Norway in August 1991. Furthermore, ILO had launched a research project aimed at developing a manual on the strategies for programme development and improvement in the field of rehabilitation; the target group for the manul would be policy makers and programme planners in the field of national drug abuse control. ILO was interested in continuing its ongoing dialogue and close collaboration with UNDCP, paying special attention to the introduction and strengthening of rehabilitation and workplace components in UNDCP master plans.

79. The observer for WHO stated that although the international community had, for about 30 years, been seeking an effective way of putting an end to the drug problem, the situation had been labelled "alarming" 20 years earlier, and had become even worse. A reorientation of policies might therefore be needed. He pointed out that long-term solutions to the problem could only be

achieved by placing greater emphasis on reducing illicit drug demand. To reduce drug abuse, however, it was necessary to use an approach that placed equal emphasis on illicit demand reduction and illicit supply reduction. At present, an overemphasis on strategies to reduce illicit supply often made it impossible to implement any effective strategies to reduce illicit demand. He explained that the WHO Programme on Substance Abuse had been designed to provide global leadership on the health aspects of drug and alcohol abuse, but was not confined to mere consideration of the medical aspects of the drug problem. The WHO Programme also pursued health promotion and educational activities and focused attention on the need for a new approach to the problem of substance abuse. He mentioned the constructive working relationship of WHO with ILO and the United Nations Interregional Crime and Justice Research Institute, which had led to the launching of an initiative concerning substance abuse at the workplace and a research project on cocaine.

B. Activities of intergovernmental organizations and non-governmental organizations in consultative status with the Economic and Social Council, including cooperation with UNDCP

Intergovernmental organizations

80. The observer for the Council of Arab Ministers of the Interior informed the Commission of the activities of his organization in the field of drug abuse control and of the importance attached to promoting training in drug law enforcement, strengthening coordination between its member States, and enhancing cooperation between the member States of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East.

81. The observer for CCC informed the Commission that his organization had been focusing on implementing drug control programmes relating to issues dealt with in the 1988 Convention, such as money laundering, mutual assistance, controlled delivery, chemical diversion, and cooperation with traders and carriers. He referred to the need to promote the training of customs officers in techniques to combat money laundering, and pointed out that increasing the number of regional liaison offices for customs intelligence would contribute to the development of national customs drug intelligence units. Priority had been given to establishing such liaison offices in Africa, Latin America and the Caribbean, and a manual on controlled delivery had recently been completed. There was a need to enhance cooperation between the International Narcotics Control Board and CCC in order to strengthen the role of customs in implementing article 12 of the 1988 Convention. To that end, a link should be established between the databases of the Board and CCC.

82. The observer for the Inter-American Drug Abuse Control Commission said that his organization was focusing its activities on four areas: legal development and model regulations; preventive education; community mobilization against drugs; and the installation of uniform statistical systems and the development of an Inter-American Drug Information System. The overall emphasis of the activities of his organization in drug abuse control was on reducing illicit drug demand. New approaches to dealing with drug-related problems of street children were being developed, and studies were being carried out on the relationship between arms smuggling and illicit drug trafficking, on judicial cooperation and on alternative development. The Inter-American Drug Abuse Control Commission was seeking to take the initiative in the fight against drug abuse and illicit drug trafficking instead of merely reacting to developments in those areas.

83. The observer for the International Criminal Police Organization (ICPO/Interpol) strongly supported the position of the Executive Director on shared responsibility. He expressed the view that insufficient emphasis was still being placed on preventing drug abuse and reducing illicit drug demand. He referred to the enhanced cooperation of his organization with UNDCP and CCC in the exchange of drug-related statistical data and in training. Referring to the draft recommendations to improve the efficiency of the meetings of heads of national drug law enforcement agencies, he said that, according to preliminary arrangements with UNDCP, ICPO/Interpol would organize in every region except Europe special meetings on drug-related topics every two years and general meetings on crime, including drug-related crime, in the intervening years.

2. Non-governmental organizations in consultative status with the Economic and Social Council

84. The observer for the International Council on Alcohol and Addictions stressed the ability of her organization to link international, regional, national and community efforts to combat drug abuse through a variety of training programmes on prevention, treatment, rehabilitation and social reintegration, including modules for law enforcement and customs officers, in eastern and southern Africa, French-speaking western Africa and central Africa. The International Council on Alcohol and Addictions, an executing agency of UNDCP programmes, was ready to discuss with the Programme the possibility of its participating in other activities to fight drug abuse.

85. The observer for Pax Romana said that the drug problem needed to be viewed in the context of society as a whole, of protection of the rights of the individual, and of collective justice. Whereas the United Nations system had a key role to play in the international monitoring and prevention of illicit drug production and trafficking, it should also devote its attention to curbing illicit drug demand and develop participatory mechanisms to prevent illicit drug consumption. In that connection, non-governmental organizations had an invaluable contribution to make.

86. The observer for the United Nations Association of the United States of America offered seven recommendations for action by the Commission, contained in a report by the Association based on a study involving thousands of United States citizens, including political figures. In one of the recommendations, it was suggested that UNDCP should prepare a country-by-country review of the extent of drug abuse and the resources each State had set aside to deal with problems related to drug abuse, as well as a critical assessment of the effectiveness of national efforts to solve such problems. In another recommendation, the Commission was urged to call on UNDCP to coordinate and sponsor research in institutes and academic centres on approaches to dealing with drug dependence, changing consumer tastes and emerging patterns of illicit drug supply and abuse. The observer reminded the Commission that the Association had called upon the Government of the United States to channel through UNDCP more of its funds earmarked for the fight against illicit drugs, in the hope that such an initiative would lead other donor countries to increase their support for the Programme. He recommended raising the level of the annual contributions to UNDCP to $US 200 million by 1994.

87. The observer for the Vienna NGO Committee on Narcotic Drugs expressed the view that demand and supply reduction must receive equal emphasis in international, regional and national efforts to contain and alleviate drug abuse. Given the key role played by non-governmental organizations in efforts

to reduce illicit drug demand and their capacity to mobilize community action, both the Vienna NGO Committee on Narcotic Drugs and the New York NGO Committee on Narcotics and Substance Abuse welcomed the opportunity to submit to the Commission at its thirty-fifth session a report on their activities.

3. Inventory of intergovernmental organizations and non-governmental organizations prepared by the United Nations

88. At its 5th meeting, on 10 April 1992, the Committee of the Whole considered agenda item 5 (a). It had before it the report by the Secretariat on the implementation of Commission resolution 1 (XXXIV) (E/CN.7/1992/4), section I of which contained updated information on the establishment of an inventory of intergovernmental and relevant non-governmental organizations engaged in the fight against drug abuse.

89. The Committee was informed that, to date, some 230 non-governmental organizations active in the field of drug abuse control had been identified. The tabulation and updating of the information available on each of those organizations had begun, and the list of organizations would grow as the work of data collection proceeded.

90. With regard to the use of the inventory of non-governmental organizations, it was noted that the Executive Director, in his statement at the opening of the session, had stressed the importance of working with all institutions in society at large, including non-governmental organizations. A new partnership based on common interests could be established and it should be given an enhanced role.

91. The inventory would facilitate the identification of activities of non-governmental organizations in the field of drug abuse control in each country, as well as cross-referencing with UNDCP programmes worldwide. Non-governmental organizations were not only taking an active part in efforts to reduce illicit demand, but also had a role to play in promoting crop substitution and the enforcement of drug control legislation. The participants were informed of the intention of UNDCP to include data from the inventory in the country profiles established in connection with the International Drug Abuse Assessment System.

C. United Nations Decade against Drug Abuse

92. At its 3rd and 4th meetings, on 9 April 1992, the United Nations Decade against Drug Abuse was reviewed by the Committee of the Whole in considering the report of the Executive Director on the five-year plan to implement the Global Programme of Action (E/CN.7/1992/10 and Corr.1, paragraphs 71-79). Reference to the Decade was also made in the report of the Executive Director on the UNDCP (E/CN.7/1992/7, paragraph 29) and in the note by the Executive Director on a strategy for UNDCP (E/CN.7/1992/7/Add.1, paragraph 5).

93. In the Political Declaration annexed to its resolution S-17/2, the General Assembly proclaimed the period 1991-2000 the United Nations Decade against Drug Abuse, to be devoted to effective and sustained action to promote the implementation of the Global Programme of Action. In its resolution 46/103, section I, the General Assembly welcomed the appointment of a Coordinator for the Decade, invited him to promote and monitor efforts related to the Decade, and requested the Commission, through the Economic and Social Council, to keep the General Assembly informed of developments in that area.

94. Many speakers stressed that the Decade was an opportunity for intensifying action at the international, regional and national levels. There was general approval of 10 areas of activity to be focused on in the Decade, which were identified in paragraph 74 of the report of the Executive Director on the implementation of the Global Programme of Action. The Decade should help to further galvanize international cooperation to combat drug abuse. The importance of national coordinating committees or focal points for Decade-related activities was noted.

95. Several speakers outlined activities being implemented in the context of the Decade and identified a number of steps that could be taken to enhance its impact, such as the designation of well-known persons as "anti-drug-abuse" ambassadors, the organization of poster competitions, the commissioning of a campaign song for the Decade, and the convening of a summit on drug abuse. The importance of enlisting and motivating more groups and individuals worldwide to help encourage the emergence of an anti-drug subculture was emphasized, as was the need to acknowledge the contribution of individuals particularly active and successful in preventing or combating drug abuse. It was essential to promote a feeling of solidarity among all participating in the global response to the global challenge of drug abuse.

96. Some speakers, noting that the Decade was still in its initial stages, said that it was important to make the best use of the opportunity presented by the Decade in order to increase the awareness and participation of Governments, specialized agencies of the United Nations system, non-governmental organizations, opinion makers, volunteers and others, particularly at the community level. Although the task at hand was both enormous and delicate, it could be fulfilled through truly international collaboration. Some speakers stated that it was important to emphasize efforts to prevent drug abuse and to adapt future programmes to local conditions and needs. Others stressed the crucial role of parents and educators and the need to support them in prevention efforts. Some said that close liaison and information exchange with national focal points should be encouraged. One representative mentioned the need to provide the resources necessary for the successful implementation of the Decade. Another suggested that, as Decade-related plans and mechanisms developed, more specific measures linked with activities described in the Global Programme of Action should be identified. Other speakers welcomed the balanced, multidisciplinary approach to be followed in implementing the Global Programme of Action. It was recommended that a report on the Decade should be submitted and considered in the normal way, if necessary under a separate agenda item. The need to follow up Decade-related activities on a continuing basis was emphasized. Some speakers supported the proposals contained in the report of the Executive Director of UNDCP (E/CN.7/1992/7 and Add.1), and referred to the need to make the activities of the Decade concrete; all the resources of UNDCP would have to be called into play, and active UNDCP participation in implementing those activities would be required.

97. On behalf of the Executive Director, the Coordinator for the Decade thanked all representatives who spoke on the Decade for their words of confidence and encouragement. He noted that replies were still being received from Governments on the designation of national coordinating committees or focal points for Decade-related activities, and he added that he looked forward to a fruitful collaboration with them.

98. At its 1075th meeting, on 15 April 1992, the Commission adopted a draft resolution entitled "United Nations Decade against Drug Abuse" (E/CN.7/1992/L.6), sponsored by Canada, Colombia, Jamaica, Nigeria, Republic of Korea, Senegal, Venezuela, Yugoslavia, Zaire and Zambia. For the text, see chapter XI, section A, resolution 7 (XXXV).

D. Five-year plan for the implementation of the Global Programme of Action

99. The Committee of the Whole, at its 4th meeting, on 9 April 1992, and the Commission, at its 1072nd meeting, on 13 April 1992, considered agenda item 5 (b). Each had before it the report of the Executive Director on the five-year plan to implement the Global Programme of Action (E/CN.7/1992/10 and Corr.1), prepared in response to Commission resolution 2 (XXXIV).

100. The Commission was informed of the structure of the five-year plan and the considerations that had led to its elaboration and current format. The report of the Executive Director dealt with proposals for action at the global level; master plans and their utilization as essential tools for implementing national and regional drug control strategies; and the United Nations Decade against Drug Abuse.

101. Several speakers stressed the importance of the master-plan approach and commended UNDCP for promoting and broadening its use.

102. A number of speakers considered that UNDCP had a central role to play, not only in coordinating national and regional activities related to drug control, but also in assisting States in their efforts to promote and implement the Global Programme of Action. Other speakers stressed that Governments alone had the responsibility to implement the Global Programme of Action, in which national authorities were called on to develop and translate into action, to the widest extent possible, balanced strategies aimed at combating all aspects of drug abuse and illicit trafficking.

103. Several speakers considered that UNDCP should assist Governments in formulating and developing strategies and national master plans. It was stated that multilateral and bilateral cooperation agencies involved in providing assistance to countries should also participate in the preparation of the national master plans, with UNDCP ensuring coordination of such efforts.

104. Some speakers expressed the view that the master-plan concept, while permitting the analysis of the needs of individual countries, should also be used to identify priorities and objectives and to determine the steps to be taken to implement national strategies. Some said that it would be useful if the five-year plan reflected the role to be played by all United Nations entities involved in drug abuse control, particularly ILO and WHO with respect to illicit demand reduction. The view was expressed that the five-year plan should also stipulate how UNDCP would cooperate with those entities in planning, designating and implementating master plans. Some speakers stressed the need for the five-year plan to include the activities of entities involved in technical cooperation, such as the United Nations Development Programme, as well as regional and international financial institutions such as the World Bank.

105. It was stated that the development of an effective subregional strategy should be based on a thorough analysis of the needs and priorities of the various countries in the subregion concerned. That was necessary in order to identify activities to be given priority and those to be undertaken jointly by several countries in the subregion. It was suggested that the five-year plan should emphasize the development of national strategies on which the subregional and regional strategies were to be based. As far as possible, a timetable for the implementation of the five-year plan should be drawn up.

106. Noting the wide scope of activities covered by the Global Programme of Action and the Comprehensive Multidisciplinary Outline of Future Activities in Drug Abuse Control, 4/ some speakers stated that there was a need for

guidance on deciding which of those activities should be given priority. Several speakers said that the Commission should, pursuant to paragraph 97 of the Global Programme of Action, adopt an effective approach to monitoring the progress in its implementation. It was emphasized that determining the priority to be accorded to UNDCP activities was one of the most important tasks of the Commission. Some speakers observed that, in providing policy guidance on the assignment of priorities, every effort should be made to avoid encroaching on the sphere of competence and the responsibilities of the Executive Director.

107. A number of speakers suggested that the Declaration of San Antonio should be used as a basis for finalizing the five-year plan.

108. Some speakers said that, in view of the different needs and priorities of the various regions, the five-year plan should be structured on a regional basis, as set forth in annex II of the report of the Executive Director on the five-year plan. The five-year plan should designate clearly which activities should be undertaken by States and which should be undertaken by UNDCP and other United Nations entities. It was agreed that the five-year plan should not overlap with the United Nations System-Wide Action Plan on Drug Abuse Control, which outlined activities and strategies for implementation by the various United Nations entities involved in drug abuse control.

109. In the course of the discussion at the 1071st meeting of the Commission, on 13 April 1992, the draft resolution entitled "Five-year plan to implement the Global Programme of Action adopted at its seventeenth special session by the General Assembly" (E/CN.7/1992/L.4) was withdrawn.

E. Review of the functioning of the subsidiary bodies of the Commission

110. At its 5th meeting, on 10 April 1992, the Committee of the Whole considered agenda item 5 (a). It had before it a report by the Secretariat on the implementation of Commission resolution 1 (XXXIV) (E/CN.7/1992/4), which contained a study on the nature, frequency and duration of the meetings of the subsidiary bodies of the Commission.

111. The Committee focused much of its attention on recommendation 1, in paragraph 53 of the report by the Secretariat. According to that recommendation, the Commission should decide that if, in a region covered by a meeting of HONLEA, another regional drug law enforcement meeting was held regularly, the meeting of HONLEA should be convened only every other year and UNDCP should participate actively in the other regional meeting in the years when the meeting of HONLEA was not held. The Committee was informed that discussions with ICPO/Interpol had led to a tentative arrangement, subject to approval by the Commission, whereby UNDCP and ICPO/Interpol would rotate their meetings, on a trial basis over a two-year period, among the regions of Africa, Europe, and Latin America and the Caribbean. Should the rotation of meetings prove satisfactory, the practice would be extended to other regions.

112. The observer for ICPO/Interpol informed the Committee of initiatives involving UNDCP and his organization to coordinate regional drug law enforcement meetings. He strongly supported the recommendations proposed for adoption by the Commission. The observer for CCC stressed the need to involve customs officials in all drug law enforcement meetings held at the regional level, whether convened by UNDCP or ICPO/Interpol. Some speakers supported the cooperation between UNDCP, ICPO/Interpol and the CCC in the organizing of meetings and in seeking to avoid overlapping or duplication of effort.

113. The Committee considered that the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East, in view of its special status as a body mandated to deal with issues relating to drug law enforcement and other matters, was a sui generis body falling outside the scope of Commission resolution 1 (XXXIV). The discussion therefore focused on matters relating to meetings of HONLEA.

114. Several speakers commended the subsidiary bodies of the Commission on their useful and productive work. The meetings of HONLEA offered representatives of drug law enforcement agencies, in particular, senior officials from ministries of justice and of the interior, customs and the police, a unique opportunity to exchange views, to share experiences, to strenthen cooperation and to take more effective action against the illicit drug traffic. They were also an important means of obtaining a focused, in-depth picture of the current situation regarding trends in the illicit drug traffic, as perceived and reported by the countries in the various region. There was strong support for the recent measures taken to improve the efficiency of the subsidiary bodies. By examining sensitive matters, the working groups established at the meetings of HONLEA had produced valuable results and promoted regional and interregional cooperation in the fight against the illicit drug traffic. Several speakers considered that cooperation at the regional level should be improved by strengthening the regional network of HONLEA meetings. The view was also expressed that the concept of law enforcement should be extended to cover judicial cooperation.

115. It was agreed that the frequency of the meetings of HONLEA should be determined on a regional basis, taking into account the needs of countries in the regions concerned and the meetings of other bodies. Several speakers considered that the meetings of HONLEA should be consulted on the measures required to strengthen their functioning, in particular with regard to the frequency of such meetings.

116. The Committee noted that the meetings of HONLEA in the regions of Africa, Asia and the Pacific, and Latin America and the Caribbean provided the only regional forum where representatives of drug law enforcement agencies from all countries in each region could meet. Speaking on behalf of the Group of 77, one representative stressed the importance of holding meetings of HONLEA on an annual basis, particularly in coordinating the drug law enforcement efforts of developing countries that, because of their resource constraints, had no alternative means of strengthening their collaboration at the regional level. The Meeting of HONLEA, Africa, had special significance as the only continent-wide drug law enforcement meeting involving all the major language groups of the region. Several speakers stressed the importance of the regular contacts and exchanges, both formal and informal, made possible by the annual meetings of HONLEA. They had a crucial role to play in highlighting trends in the illicit drug traffic and in promoting the adoption of measures to counter its further development. HONLEA meetings had thus been instrumental in establishing trust and confidence, which were central to effective cooperation in drug law enforcement.

117. Several speakers said that, in the light of the region-by-region approach, the frequency of the Meetings of HONLEA, Europe, would have to be considered in the context of other meetings on drug law enforcement held in that region; thus, a more flexible approach was called for. The Committee recognized the importance of meetings of HONLEA and, in view of the development of new trends in illicit traffic in Eastern Europe, agreed that the Meeting of HONLEA, Europe, should focus on enhancing cooperation in drug law enforcement between States in Eastern and Western Europe. Some speakers said that, although membership in the respective regional commissions of the Economic and Social Council was an acceptable criterion to use in deciding on

membership in a regional meeting of HONLEA, a more flexible approach should be adopted. Several speakers expressed the interest of their Governments in participating in more than one regional meeting of HONLEA.

118. In the view of some speakers, the meetings of HONLEA should focus more on specific issues; they should be tailored to the specific needs of their respective regions and should avoid dealing with a myriad of issues or adopting vague recommendations that would be difficult to implement. The meetings of HONLEA should not become a smaller version of the Commission. It was suggested that they should become "issue-oriented"; in other words, each meeting should focus on a particular topic.

119. Some speakers argued that the focus on drug law enforcement was inconsistent with the strategy of UNDCP, which was based on a balanced approach giving equal importance to drug law enforcement and the reduction of illicit drug demand. The view was expressed by some speakers, but contested by others, that the mandate of the meetings of HONLEA should be extended to cover issues pertaining to illicit demand reduction. Some speakers also suggested that regional meetings, structured on the lines of the meetings of HONLEA, should be conducted to deal with illicit demand reduction. Other topics proposed included cooperation in judicial matters, money laundering and asset seizure, and issues of mutual interest to regional producer countries and consumer countries from both within and outside the region. Referring to the World Ministerial Summit to Reduce the Demand for Drugs and to Combat the Cocaine Threat, held in London from 9 to 11 April 1990, some speakers emphasized the need to hold similar meetings in other regions, particularly in the Caribbean. Others suggested that the meetings of HONLEA should be held every two years, with a regional meeting of producer countries in the region and consumer countries from outside the region being held in the intervening years. The consensus was that the meetings of HONLEA should keep their focus on drug law enforcement and should be different from meetings on other drug-related issues.

120. The Commission was informed that the Government of Mexico had offered to act as host to the Fifth Meeting of HONLEA, Latin America and the Caribbean, and that the Government of Nigeria would act as host to the Fifth Meeting of HONLEA, Africa.

121. At its 1074th meeting, on 14 April 1992, the Commission approved for adoption by the Economic and Social Council a draft resolution entitled "Improvement of the functioning of the subsidiary bodies of the Commission on Narcotic Drugs" (E/CN.7/1992/L.14), sponsored by Australia, Colombia, Czechoslovakia and Nigeria. For the text, see chapter I, section A, draft resolution I. In approving the text, the Commission had before it a statement of the programme budget implications (E/CN.7/1992/L.9), reflected in annex I.

122. At its 1075th meeting, on 15 April 1992, the Commission took note of and endorsed resolutions and recommendations of the following subsidiary bodies (see E/CN.7/1992/3, paragraphs 4, 5, 8, 10, 11 and 18): the Fourth Meeting of HONLEA, Africa, the Sixteenth Meeting of HONLEA, Asia and the Pacific, the Fourth Meeting of HONLEA, Latin America and the Caribbean, and the Sub-Commission at its twenty-eighth session.

123. At its 1076th meeting, on 15 April 1992, the Commission considered and adopted three draft decisions, entitled as follows: "Ministerial-level conference at the twenty-ninth session of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East"; "Fifth Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean"; and "Recommendations for the organization of work of the subsidiary bodies" (E/CN.7/1992/L.21). For the texts, see chapter XI, section B, decisions 1 (XXXV), 2 (XXXV) and 3 (XXXV).

Chapter V

IMPLEMENTATION OF THE INTERNATIONAL DRUG CONTROL TREATIES

A. Changes in the scope of international control of substances

124. At its 1068th meeting, on 9 April 1992, the Commission considered agenda item 4 (a), entitled "Implementation of the international drug control treaties: Changes in the scope of control of substances and consideration of notifications of the Secretary-General from Governments, the World Health Organization and the International Narcotics Control Board", concerning the possible inclusion of 10 additional substances in Table I or II of the 1988 Convention. The Commission had before it a notification from the President of the International Narcotics Control Board to the Secretary-General, dated 27 January 1992; a summary of comments received by the Secretary-General from Governments (E/CN.7/1992/5); and the report of the Board on the implementation of article 12 of the 1988 Convention, which contained its assessment of the 10 substances for possible inclusion in Table I or II of the 1988 Convention (E/CN.7/1992/2): N-acetylanthranilic acid, hydrochloric acid, isosafrole, methyl ethyl ketone (2-Butanone; MEK), 3,4-methylenedioxyphenyl-2-propanone, piperonal, potassium permanganate, safrole, sulphuric acid and toluene.

125. The President of the Board noted that, for the first time, the Board and the Commission had been called upon to consider a change in the scope of control under the 1988 Convention. He recalled the conditions under which the assessment had been made, pointing out that the Board had prepared the procedures and guidelines for its work in parallel with its assessment of the 10 substances, and that it required special expertise on a sustained basis, similar to the requirements of WHO for comparable action under the Single Convention on Narcotic Drugs of 1961 5/ and the Convention on Psychotropic Substances of 1971. Noting that the Board would not have been able to convene its Advisory Expert Group had it not been for the availability of extrabudgetary funds, he called for the inclusion of financial resources for such a treaty-based function in the regular budget of the United Nations.

126. He noted that the Board had prepared guidelines for the use of the Advisory Expert Group and for its own assessment of substances. One noteworthy aspect of the recommendations of the Board was the fact that the 10 substances were viewed as belonging to two basic groups: five were precursors of methaqualone or MDA and their respective analogues; whereas the other five chemicals included two solvents, one oxydizing agent and two acids used in the illicit manufacture of cocaine and other drugs of abuse. He recalled Commission resolution 5 (XXXIV), in which the Board was requested to advise the Commission on the "present adequacy and propriety of Tables I and II". The Board, however, had been compelled to defer its response to that request because of the need to complete its assessment of the 10 substances for submission to the Commission at its thirty-fifth session.

127. Many speakers commended the Board on its completion of a thorough assessment of the 10 substances in such a short time. Noting that the Board had to obtain extrabudgetary funds in order to carry out its assessment, speakers endorsed the proposed allocation of resources through the regular budget of the United Nations to enable the Board to fulfil that treaty-based function.

128. Several speakers also commended the work accomplished by Governments and international organizations participating in the Chemical Action Task Force, established by the heads of State or Government of the Group of Seven major industrialized countries and the President of the Commission of the European Communities at the sixteenth annual economic summit, held at Houston, Texas, in July 1990. The Chemical Action Task Force had originally considered many chemicals for possible control, but had decided to recommend just 10 additional substances for inclusion in Table I or II of the 1988 Convention. Various speakers noted that the review of those substances had been completed by the Chemical Action Task Force, the Advisory Expert Group and the Board itself.

129. Nearly all those who spoke on the subject expressed their support for the inclusion of the five precursors in Table I of the 1988 Convention, and most speakers also supported the recommendation of the Board to include the other five chemicals in Table II.

130. Some speakers noted that, according to the findings of the Chemical Action Task Force, Tables I and II of the 1988 Convention, as they stood, were neither complete nor logical. One speaker said that acceptance of the proposals by the Board would strengthen the effectiveness of the Convention.

131. Several speakers recounted the successful experience of their Governments in controlling such chemicals. That experience had borne out both the feasibility and cost-effectiveness of such control.

132. A number of speakers expressed concern that implementing controls over the five chemicals widely used in legitimate industry, particularly potassium permanganate and the two acids, could cause an unnecessary burden for licit commerce while not contributing effectively to control over illicit manufacture. In their opinion, that was because diversion would continue to occur despite the application of control measures. Furthermore, substitutes could be used in the illicit manufacture.

133. Some speakers expressed concern that the resources needed to control chemicals, particularly in developing countries, could be better spent on other drug control activities.

134. Some speakers stated that there were gaps in the information presented to the Commission, particularly as it related to alternatives and the extent of licit use. In that context, one of the speakers urged that the criteria specified in paragraph 4 (b) of article 12 of the 1988 Convention should be carefully applied.

135. A number of speakers said that in its proposal, the Board had recommended that countries should focus on controlling chemicals that were, or might be, destined for areas where drugs were illicitly produced. They pointed out that the proposal by the Board was similar to the one made by the Chemical Action Task Force. The speakers underlined that such an approach gave countries flexibility and reduced to a minimum the administrative burdens required for control.

136. A number of speakers expressed the wish of their Governments that even more chemicals should be controlled under the provisions of the 1988 Convention. Some noted that, as representatives of chemical-producing countries, they had an obligation to respond to the concerns of countries in which drugs were illicitly produced and to halt the supply of chemicals to drug traffickers. One of the speakers expressed the willingness of his Government to offer assistance to Governments encountering difficulties in implementing controls over chemicals.

1. Recommendation for including in Table I of the 1988 Convention N-acetylanthranilic acid, isosafrole, 3,4-methylenedioxyphenyl-2-propanone, piperonal and safrole

137. The Commission considered the recommendation of the Board to add to Table I of the 1988 Convention N-acetylanthranilic acid, isosafrole, 3,4-methylenedioxyphenyl-2-propanone, piperonal and safrole. It took note of the fact that, under the provisions of article 12, paragraph 5, of the 1988 Convention, a decision to place a substance in Table I or Table II required a two-thirds majority of its members, which represented a total of at least 36 affirmative votes.

138. The Commission decided to add the following substances to Table I of the 1988 Convention: N-acetylanthranilic acid (by 46 votes to 1, with no abstentions); isosafrole (by 46 votes to none, with no abstentions); 3,4-methylenedioxyphenyl-2-propanone (by 47 votes to none, with no abstentions); piperonal (by 47 votes to none, with no abstentions); and safrole (by 45 votes to none, with no abstentions). For the text of the decision drafted by the Secretariat at the request of the Commission to reflect the results of the voting, see chapter XI, section B, decision 4 (XXXV).

2. Recommendation for including in Table II of the 1988 Convention hydrochloric acid, excluding its salts, methyl ethyl ketone (2-Butanone; MEK), potassium permanganate, sulphuric acid, excluding its salts, and toluene

139. The Commission considered the recommendation of the Board to add to Table II of the 1988 Convention hydrochloric acid, excluding its salts, methyl ethyl ketone (also referred to as 2-Butanone or MEK), potassium permanganate, sulphuric acid, excluding its salts, and toluene. It took note of the provisions of article 12 of the 1988 Convention referred to in paragraph 137 above.

140. The Commission decided to add the following substances to Table II of the 1988 Convention: hydrochloric acid, excluding its salts (by 39 votes to 1, with 8 abstentions); methyl ethyl ketone (also referred to as 2-Butanone or MEK) (by 47 votes to none, with 2 abstentions); potassium permanganate (by 43 votes to 1, with 7 abstentions); sulphuric acid, excluding its salts (by 39 votes to 1, with 8 abstentions); and toluene (by 44 votes to none, with 4 abstentions). For the text of the decision drafted by the Secretariat at the request of the Commission to reflect the results of the voting, see chapter XI, section B, decision 5 (XXXV).

141. The Commission, by 39 votes to 1, with 8 abstentions, decided to add hydrochloric acid, excluding its salts, to Table II of the 1988 Convention.

142. Following the vote on the recommendations, the representative of Canada stated that his Government had participated in the Chemical Action Task Force and fully supported the proposal by the Board. However, he urged the Board to exercise caution in the future when considering other substances for possible control. The representative of the Russian Federation expressed his misgivings about the difficulties involved in preventing diversion of hydrochloric acid, excluding its salts, potassium permanganate and sulphuric acid, excluding its salts, all of which were widely used not only in manufacture but, in the case of two of them, in medicine as well.

143. At its 1075th meeting, on 15 April 1992, the Commission considered for adoption by the Economic and Social Council a revised draft resolution entitled "Measures to prevent diversion of precursor and essential chemicals to the illicit manufacutre of narcotic drugs and psychotropic substances" (E/CN.7/1992/L.2/Rev.1), sponsored by Bahamas, Belgium, Bolivia, Bulgaria, Colombia, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Norway, Papua New Guinea, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela and Yugoslavia. In introducing the draft resolution, the representative of the United Kingdom suggested that, in monitoring implementation of article 12 of the 1988 Convention, it would be helpful if the International Narcotics Control Board were to evaluate the cost-effectiveness and efficacy of measures to control chemicals. Pending wider implementation of article 12, it was to be hoped that States parties might exercise restraint in submitting notifications to the Secretary-General proposing additional substances for control. Following a proposal by the representative of China that paragraph 6 should be voted on separately, the text of that paragraph was adopted by 36 votes to none, with five abstentions. The draft resolution was then approved by consensus. For the text, see chapter I, section A, draft resolution II.

B. Report of the International Narcotics Control Board for 1991 and report of the Board on the implementation of article 12 of the 1988 Convention

144. At its 1069th and 1070th meetings on 10 April 1992, the Commission considered agenda item 4 (b), entitled "Implementation of the international drug control treaties: International Narcotics Control Board". It had before it the report of the International Narcotics Control Board for 1991 6/ and the report of the Board on the implementation of article 12 of the 1988 Convention (E/CN.7/1992/2, paragraphs 1-22).

145. The President of the Board stated that, despite some encouraging developments and government countermeasures, the drug abuse problem remained serious worldwide, and that, together with illicit trafficking, it currently affected virtually all countries. He underlined the complex and intractable nature of the drug problem, warning that simple solutions did not exist. He said that efforts to combat illicit drug supply and trafficking should be balanced with those designed to reduce illicit drug demand.

146. He stated that the use of drugs for non-medical purposes was not, as some were now advocating, a human rights issue. The Board was convinced that legalization would only result in an increase in drug abuse, illicit drug trafficking, illicit cultivation, and social and economic problems. It strongly opposed the attempts by some European cities to allow distribution of cannabis for non-medical purposes and initiatives in some Latin American countries to market, domestically or abroad, products containing cocaine for non-medical use. He appealed to the Governments to abide by their obligations under the international drug control treaties.

147. In line with its responsibilities under the treaties, the Board intended to send missions to countries where legislation or administrative practice did not appear to be in line with the provisions of the treaties. He expressed the hope that such missions would not be viewed as representing criticism of the countries concerned or interference in their internal affairs, but rather as a means of improving cooperation between their Governments and the Board.

148. He underlined the importance of maintaining effective control over drugs manufactured by the pharmaceutical industry, in order to prevent diversion into illicit channels or overconsumption or irrational use. He called upon the international community to further strengthen the support being provided to developing countries, especially in Africa, to assist them in establishing effective control over such drugs.

149. Regarding the licit supply of opiate raw materials and the demand for opiates for medical and scientific purposes, he reported that while excessive stocks of concentrate of poppy straw had been depleted since 1990, thus helping to restore the balance between supply and demand, the stocks of opium remained excessive. The Board continued to request that all producer countries should refrain from increasing their areas of opium poppy cultivation until excess global stocks of raw materials had been depleted. During the current session of the Commission, the Board would be holding discussions with the main opiate-producing and manufacturing countries on measures to be taken to achieve a worldwide balance between supply of and demand for opiates. Noting that certain countries were considering the licit cultivation of opium poppy, the President expressed the concern felt by the Board that a proliferation of sources of supply would adversely affect the balance between supply and demand, and he appealed to those countries to refrain from such cultivation.

150. He called on the newly independent republics in certain parts of Europe to decide, as a matter of urgency, upon the manner in which they intended to organize the control of the licit movement of drugs in their countries. The President noted that an organizational or administrative vacuum might be exploited by drug traffickers, and he called on the international community to assist those countries in that regard.

151. It was a matter of deep concern to the Board that, more than 20 years after the signing of the 1971 Convention, certain Governments that should have the economic and administrative means to control psychotropic substances in accordance with that Convention had still not acceded to it. He stated that Austria, Belgium, Ireland, the Netherlands and Switzerland, being important drug manufacturing and exporting countries, should close that gap in the international control system.

152. He noted that major changes in the composition of the secretariat of the Board had taken place, the number of staff having been reduced by almost one third since the integration of its secretariat into UNDCP in September 1991, and that UNDCP had agreed to provide support to the Board to counter- balance that decrease. He expressed the hope that voluntary contributions would be made available to strengthen UNDCP capabilities in the management of information resources, and that the Executive Director would give priority to that matter.

153. Noting that the requests made by States to the Board and to UNDCP to assist in drug control activities had increased substantially in recent years, he called for increases in both regular budget and extrabudgetary funding.

154. Turning to the report of the Board on the implementation of article 12 of the 1988 Convention, he noted that only about one half of the parties to that Convention had submitted to the Board the information required under article 12 for 1989 and 1990. He urged Governments to take the steps necessary to permit prompt reporting, including the designation of the competent authorities responsible for implementing article 12. In addition, he requested Governments to apprise the Board of the actual control measures

applied to substances listed in Tables I and II. He asked the Commission to consider the recommendations made by the Chemical Action Task Force on the prevention of diversion of chemicals to illicit channels.

155. He informed the Commission of the cooperation of the Board, CCC and ICPO/Interpol in promoting the use of international databases to advise Governments in their efforts to prevent the diversion of substances listed in Tables I and II of the 1988 Convention.

156. He stated that the Board would begin taking steps to carry out the request by the Commission that it review the adequacy and propriety of the current Tables I and II, but that that review would not be completed before its thirty-sixth session.

157. In conclusion, he expressed the appreciation of the Board to all Governments that had consistently cooperated with the Board in the discharge of their treaty-based functions.

158. Many speakers commended the Board on its reports, which they described as objective and thought-provoking, a source of useful observations and recommendations to Governments and international bodies. A number of speakers expressed agreement with the areas of priority listed in paragraph 11 of the report of the Board for 1991.

159. Many speakers praised the high quality of the work done by the Board. Several expressed their satisfaction with the effective way in which the Board had dealt with the first assessment under article 12. One speaker noted that the work of the Board in regulating licit demand for drugs was important in preventing diversion. Another speaker supported the proposal by the Board to destroy fenetylline stocks.

160. One speaker noted that the Board had provided expert assistance to his Government in the preceding year to further develop its controls over licit drugs. Other speakers representing countries undergoing important economic and political changes stated that their Governments would welcome such assistance from the Board.

161. Many speakers outlined the activities being undertaken in their countries to adhere to and to implement the 1988 Convention. A number of speakers noted that it was important to take concrete steps to reduce illicit drug demand, to provide alternative economic activities for peasant farmers producing narcotic crops, to stop money laundering, to curb illicit traffic by sea, to control chemicals used in illicit drug manufacture, to provide mutual legal assistance to arrest and prosecute drug traffickers, and to deny drug traffickers access to sophisticated weapons. They pledged their Governments' cooperation with others in efforts to fight illicit drug trafficking and drug abuse.

162. Some speakers spoke of the successes achieved in their countries in the control of chemicals used to illicitly manufacture drugs. One speaker proposed that the Board should conduct a thorough evaluation of the cost-effectiveness of controlling and monitoring such chemicals, and offered his Government's financial support to allow it to do so. That proposal was supported by a second speaker. Another speaker, however, questioned the usefulness of undertaking such an evaluation at this time, as the international control system had only recently been established.

163. There was nearly unanimous agreement that European States that manufactured or exported psychotropic substances and that were not parties to the 1971 Convention should become parties to that Convention without further delay. Some speakers underlined the growing abuse of psychotropic substances and the difficulties encountered by developing countries attempting to control unwanted imports. One speaker noted that adherence to the 1971 Convention by exporting countries allowed developing countries to invoke the protection of article 13. Another speaker informed the Commission that, although not a party to the 1971 Convention, his Government had already introduced complete controls over psychotropic substances in Schedules I and II. He stated that substances in Schedules III and IV of that Convention were also subject to certain controls.

164. Many speakers stated that they agreed with the Board that the reduction of illicit drug demand was critical. One speaker noted that limited progress had been made in that area. Another said that there were limits to the success of repressive measures, and that all measures elaborated at the 1987 International Conference on Drug Abuse and Illicit Trafficking should be given equal priority. A number of speakers supported his call for a more balanced approach.

165. There was overwhelming support for the stand taken by the Board against legalizing or decriminalizing the non-medical use of drugs. A number of speakers said that such indefensible action would be tantamount to moral capitulation. Several stressed that the integrity of the treaty-based system of control must be maintained.

166. A number of speakers outlined alternatives to the incarceration of drug abusers in their countries. One of those speakers noted that drug abusers should be provided assistance and therapy rather than punished; however, he rejected the distribution of heroin by physicians to drug-dependent persons. Another speaker explained that in his country only 100 drug-dependent persons received heroin from physicians, and that any new drug-dependent persons would receive methadone instead of heroin.

167. One speaker, describing the reported nutritional value of coca leaf, called for serious study of the subject.

168. Several persons spoke about the supply of and demand for opiates for licit purposes. The Board was complimented on its excellent and comprehensive analysis of the global situation. One speaker supported the monitoring by the Board of Economic and Social Council resolutions 1990/31 and 1991/43. He stated that his country, a traditional supplier of opiates for licit purposes, had made sacrifices by reducing significantly the area under cultivation and the number of farmers; that, together with increased exports, had allowed the reduction of his country's excess stocks. He supported the call made by the Board for producer countries to refrain from increasing areas under cultivation.

169. Another speaker noted a recent Board mission to his country on the issue of the production of opiate products. He said that the licit opiates industry in his country was modern, secure and highly efficient and was conducted in strict conformity with the requirements of the 1961 Convention. He stated that, in the view of his Government, market forces should be allowed to control the licit supply of opiates. He welcomed action taken by a traditional opium-producing country to put its production in line with reducing demand for that product, and assured the Commission that his country would produce no more than warranted by market conditions.

170. Some speakers were in favour of the proposal by the Board for a wide-ranging study on the supply of and demand for opiates to be undertaken at an appropriate time. One of them noted the need to assess global licit requirements for opiates to relieve pain and suffering and requested the Board to give priority to such an assessment. Several speakers supported the call made by the Board to other countries not to begin licit opium poppy cultivation.

171. Several speakers called for assistance to be provided to Lebanon to eliminate illicit cultivation and trafficking. Another informed the Commission that his Government agreed with the recommendations of a UNDCP mission to his country, and called for the design and implementation of specific and timely plans for South-West Asia. He described the successful efforts made in his country to eradicate illicit cultivation.

172. One speaker called for the establishment of a United Nations bureau in Moscow to assist the newly independent States in drug control.

173. Some speakers suggested that, in order to allow law enforcement colleagues to participate in the discussion of the report of the Board, the agendas for future sessions of the Commission should be structured to allow the report of the Board and measures to control and reduce illicit trafficking to be discussed at separate times in the plenary.

174. The President, on behalf of the Board, thanked the Commission for its support of the work that had been undertaken by the Board in 1991. He stated that he would convey the comments made by the Commission to the other members of the Board.

175. At its 1073rd meeting, on 14 April 1992, the Commission approved for adoption by the Economic and Social Council a draft resolution entitled "Demand for and supply of opiates for medical and scientific needs" (E/CN.7/1992/L.5), sponsored by Bahamas, India, Russian Federation, Sri Lanka and Turkey. For the text, see chapter I, section A, draft resolution III.

C. Other action required under the international drug control treaties

176. For its consideration of agenda item 4 (c), on other urgent action required under the international drug control treaties, the Commission had before it a note by the Secretariat on the subject (E/CN.7/1992/CRP.7), which contained part A of the annual reports questionnaire and an explanation of, *inter alia*, revisions to the questionnaire. The Commission was informed that UNDCP had initiated a project on the collection and publication of seizure data with a view to maximizing the inter-agency exchange of such data. Many organizations in the field of international drug control collected information on seizures, using questionnaires that were not uniform. The UNDCP project was designed to rationalize that activity by standardizing reports and data and sharing the workload between international organizations. In its first stage, the project had involved CCC and the General Secretariat of ICPO/Interpol. In its next stage, other intergovernmental organizations operating at the regional level, such as the Association of South-East Asian Nations and the European Communities or the Inter-American Drug Abuse Control Commission would be invited to join. The revision of part C of the annual reports questionnaire had been delayed until the end of 1992, pending completion of the project.

177. The Commission was informed that a trilingual cumulative index of national laws and regulations relating to the control of narcotic drugs and psychotropic substances had been published in the E/NL series for 1991. A draft of the directory of national authorities under articles 7, 12 and 17 of the 1988 Convention had been distributed to delegations for review.

178. In connection with the implementation of article 17 of the 1988 Convention, one speaker emphasized that maritime trafficking remained a global problem of major proportions. The universal implementation of the provisions establishing a framework for cooperation under article 17 was thus vital. In that context, she observed that a number of parties had not yet implemented all of the maritime-related provisions of the 1988 Convention. She then introduced an amended draft resolution entitled "Implementation of the articles of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 relating to illicit traffic by sea" (E/CN.7/1992/L.3 as amended by E/CN.7/1992/L.19), sponsored by Bahamas, Czechoslovakia, Italy, Russian Federation, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela. The draft resolution highlighted the significance and the international dimensions of the maritime drug trafficking problem, and the importance of the adoption by all States of the specific national measures required for effective international cooperation, as contemplated in article 17. At its 1075th meeting, on 15 April 1992, the Commission adopted the draft resolution. For the text, see chapter XI, section A, resolution 8 (XXXV).

Chapter VI

ECONOMIC AND SOCIAL CONSEQUENCES OF ILLICIT DRUG TRAFFICKING

179. At its 6th meeting, on 10 April 1992, the Committee of the Whole considered agenda item 7, "Other matters". It had before it a note by the Executive Director on the recommendations of the Intergovernmental Expert Group to Study the Economic and Social Consequences of Illicit Traffic in Drugs (E/CN.7/1992/11). The report of the Expert Group, which had met from 21 to 25 May and from 9 to 20 July 1990, had been submitted to the General Assembly at its forty-fifth session (A/C.3/45/8). The recommendations of the Expert Group had been put before the Commission at its thirty-fourth session (E/CN.7/1991/25). As the Commission had been unable to complete its consideration of the subject at its thirty-fourth session, it adopted resolution 7 (XXXIV) by which it decided to consider the matter at its thirty-fifth session and to invite the Executive Director to analyse the recommendations of the Expert Group and to present his views on possible follow-up action at that session.

180. The Committee noted that the Expert Group had concentrated on two main issues: the availability of reliable data for the purpose of determining the economic and social consequences of illicit drug trafficking; and measures that might be taken to deal with money laundering. In addition, the Expert Group had examined the economic implications of a range of issues connected with illicit drug production and trafficking and had concluded that reliable data were currently not available for conducting the analysis of many aspects of the issue. It had accordingly urged the United Nations, inter alia, to develop a comprehensive and unified information system. The Expert Group had recommended to States a number of practical measures against money laundering, which was seen as one of the main areas in which pressure could be put on drug traffickers. It had encouraged the United Nations to take specific steps to enhance international cooperation in support of the implementation of the 1988 Convention.

181. The Committee was informed of measures taken by the United Nations system in furtherance of the recommendations of the Expert Group. In the field of information and data, such measures included the launching by UNDCP of the International Drug Abuse Assessment System and of a project to determine possible improvements in the international system for the collection of data on illicit traffic (in collaboration with CCC and ICPO/Interpol). The Committee underlined the need for a detailed long-term cost estimate for the design and operation of a comprehensive system of data collection and analysis, and encouraged UNDCP to employ an information resources specialist to that end. In addition, UNDCP was supporting the very important and highly relevant work of the United Nations Research Institute for Social Development in a major worldwide project on the socio-economic and political impact of production, trade and use of illicit narcotic drugs (see E/CN.7/1992/11, annex). Undertaken in collaboration with the United Nations University, the multi-year project was nearing its mid-point and would be completed in 1993.

182. With regard to money laundering, UNDCP had agreed to undertake a programme of technical cooperation with developing countries in collaboration with the Financial Action Task Force, using both regular budget and extrabudgetary resources, that would supplement the assistance already being provided by UNDCP in the field of legislation. Discussions with international financial institutions were also being pursued.

183. A number of speakers commented on the thoroughness of the analysis contained in the note by the Executive Director, and expressed their satisfaction with the steps already being taken by UNDCP and other entities with regard to the issues of data collection and money laundering. The Committee concurred with the view of the Executive Director that the problems related to data collection were extremely complex and would not be easy to solve. Several speakers encouraged further development of a proposal for an effective and unified system for collecting data and looked forward to receiving from UNDCP an indication of the practical and financial considerations that such a system would entail. A number of speakers welcomed the worldwide research project of the Institute, adding that the support provided by UNDCP was one useful example of how United Nations entities could avoid duplication of effort. One speaker considered it unnecessary for UNDCP to undertake additional activities in this area.

184 A number of speakers said that the complexity of the task of evaluating the economic and social consequences of drug abuse should not prevent but rather encourage the Commission to retain this item on its agenda. They expressed the wish that UNDCP should report to the Commission at its next session on the progress of the initiatives referred to in paragraphs 181 and 182, and submit a proposal to it on the feasibility of establishing a unified data-collection system involving the use, through the System-Wide Action Plan, of the data banks and studies maintained by other United Nations bodies and organizations. One speaker suggested that the Commission should examine, at its next session, the possiblity of adopting those suggestions of the expert group which did not have financial implications.

185. Most of those who spoke on money laundering highlighted the steps being taken in their countries to deal with the problem. It was noted that the recommendations of the Expert Group were to a large extent already being implemented by various Governments and international bodies. Several speakers welcomed the initiatives by UNDCP and encouraged it to plan an even more active role in that area.

Chapter VII

FULFILMENT OF THE MANDATE OF THE COMMISSION

186. At its 1st and 2nd meetings, on 8 April 1992, the Committee of the Whole considered agenda item 5 (b), entitled "Priority topics: review of the functioning of the Commission on Narcotic Drugs". It had before it the report of the Executive Director on the five-year plan to implement the Global Programme of Action adopted by the General Assembly at its seventeenth special session (E/CN.7/1992/10 and Corr.1) and a note by the Secretariat on the programme of future work and priorities (E/CN.7/1992/12).

187. It was explained to the Committee that, under agenda item 5 (b), the main task before the Commission was to decide how it would fulfil the mandates entrusted to it by the Economic and Social Council in its resolution 1991/38, in particular, how it would review the implementation of the Global Programme of Action, how it would review the implementation and development of the United Nations System-Wide Action Plan on Drug Abuse Control, and how it would give policy guidance to and monitor the activities of UNDCP. In addition, new administrative and financial functions had been assigned to the Commission in accordance with General Assembly resolution 46/185 C, section XVI. Thus, the Commission had to decide on the methodology it would use in carrying out its new functions.

188. The Committee first considered how it would review the implementation of the Global Programme of Action. Most speakers expressed the view that the annual review of the Global Programme of Action by the Commission should be based on the annual report of the Secretary-General to the General Assembly on the implementation of the Global Programme of Action and on the annual report of the Executive Director to the Commission on UNDCP activities. It was noted that the report of the Executive Director related only to UNDCP activities and should therefore be supplemented by a note by the Secretariat on activities undertaken by Governments in the period between the preparation of the report of the Secretary-General in the third quarter of the previous year and the preparation of the report of the Executive Director.

189. Several speakers stated that in the general debate, Governments should report on activities that they had undertaken to implement the Global Programme of Action. Such an approach would streamline the general debate and would allow the report of the Commission to reflect the progress made by Governments in that area. One speaker suggested that the task of the Commission would be facilitated by an examination of the proposals by the Executive Director for a five-year plan to implement the Global Programme of Action. The plan should involve the preparation of a summary of objectives for each year, and the Executive Director should report each year on the extent to which those objectives had been met. If there were changes in the drug situation, the Commission could amend the plan to reflect the corresponding changes in priorities.

190. Many speakers stressed the importance of providing the necessary documentation early enough to allow all Governments to study it, thereby facilitating an effective review by the Commission of the implementation of the Global Programme of Action.

191. The Committee next examined how it would review the implementation and development of the United Nations System-Wide Action Plan on Drug Abuse Control. Many speakers expressed the important role of UNDCP in coordinating its implementation. They welcomed the enhanced role of the Executive Director

as a member of the Administrative Committee on Coordination in ensuring that drug control issues were included in the agendas of United Nations specialized agencies. Many speakers expressed the view that States that were members of specialized agencies or of the governing bodies of international financial institutions should also ensure that drug control objectives were included in the programmes and plans of action of those specialized agencies or institutions.

192. Some speakers stressed that it was important, however, for UNDCP to concentrate on working with United Nations entities that had mandates and competence in related fields, such as ILO, with its activities relating to drugs in the workplace, or the United Nations Children's Fund, with its work to help street children. They emphasized that not all United Nations entities had fields of competence relating to drug control.

193. Several speakers stressed the importance of linking the System-Wide Action Plan to the priorities identified for the implementation of the Global Programme of Action, of identifying the resources needed to implement those priorities, and of including coordination activities in the System-Wide Action Plan at the regional and field levels, as well as at the international level.

194. Most speakers agreed that the review of the System-Wide Action Plan should be based on the activities of UNDCP as reflected in the report of the Executive Director, together with reports of other United Nations entities active in the field of drug control.

195. Several speakers proposed that the Inter-Agency Meeting on Coordination, which reviewed the System-Wide Action Plan, should be held prior to each session of the Commission instead of immediately afterwards, as was currently the case, as well as in the third quarter, in order to enable the Commission to review the implementation of the System-Wide Action Plan and to consider the recommendations of the Inter-Agency Meeting.

196. In analysing how the Commission would give policy guidance to and monitor the activities of UNDCP, one speaker compared the Commission to a national parliament that gave policy directives and guidance to its national Government. Others stressed that the general debate should provide guidance of a general nature, whereas specific issues should be covered in formal resolutions.

197. Many speakers suggested ways of improving the general debate to enable it to provide policy directives. Several suggested that it could be divided into two parts: one consisting of four meetings devoted to general statements and the other consisting of two meetings in which conclusions would be drawn on the key issues raised in the general debate. Those conclusions would form the general policy guidance for the work of UNDCP.

198. Several speakers stated that the Committee of the Whole should debate and formulate resolutions, whereas the general debate should provide broad policy guidance.

199. Many speakers expressed the view that, in addition to the report of the Executive Director on UNDCP activities, documentation relating to technical cooperation projects financed by the Fund, ad hoc reports on the implementation of specific requests by the General Assembly, the Economic and Social Council and the Commission, and reports on regional meetings and activities, should be provided to enable the Commission to give policy guidance and monitor the activities of UNDCP.

200. With regard to the methodologies to be used by the Commission in carrying out its new administrative and budgetary functions, several speakers emphasized that approval of the budget, which should reflect the full partnership of all member States, was of paramount importance to the governance of the Programme.

201. Several speakers stressed the importance of providing the Executive Director with the flexibility needed to respond to the rapid changes in the drug control situation. Others referred to the difficulty of planning a budget on the basis of estimates of anticipated contributions.

202. The importance of transparency was emphasized by several speakers. In order to further collective decision-making and to ensure that the policy guidance given by the Commission in implementing the Global Programme of Action was reflected in the budget, adequate descriptive information should be included in the budget.

203. Many speakers endorsed the proposal contained in paragraph 17 of the note by the Secretariat on the programme of future work and priorities (E/CN.7/1992/12).

204. At its 1074th meeting, on 14 April 1992, the Commission adopted a revised draft resolution entitled "Monitoring of activities of the United Nations International Drug Control Programme and policy guidance" (E/CN.7/1992/L.7/Rev.1), sponsored by Australia, Belgium, Czechoslovakia, Denmark, France, Greece, Hungary, Netherlands, Poland, Spain, Turkey, the United Kingdom of Great Britain and Northern Ireland and Venezuela, and a revised draft resolution entitled "Operational activities of the United Nations International Drug Control Programme" (E/CN.7/1992/L.12/Rev.1), sponsored by Australia, Belgium, Ecuador, France, the Netherlands and Spain. For the texts, see chapter XI, section A, resolutions 9 (XXXV) and 10 (XXXV).

205. At its 1076th meeting, on 15 April 1992, the Commission adopted a draft resolution entitled "Cooperation between the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice" (E/CN/7/1992/L.11), sponsored by Austria, Finland, Greece, Italy, Portugal and Sweden. For the text, see chapter XI, section A, resolution 11 (XXXV).

Chapter VIII

PROGRAMME OF FUTURE WORK AND PRIORITIES

206. At its 7th meeting, on 13 April 1992, the Committee of the Whole considered agenda item 6, entitled "Programme of future work and priorities". It had before it the relevant parts of a note by the Secretariat on the programme of future work and priorities (E/CN.7/1992/12), the report of the Executive Director on the proposed budget estimates of the Fund for the biennium 1992-1993 (E/CN.7/1992/12/Add.1 and Corr.1), the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the proposed administrative and programme support costs of UNDCP (E/CN.7/1992/12/Add.3), and the report of the Secretary-General on administrative and financial arrangements regarding UNDCP (A/C.5/46/23). It also had before it the report of the Executive Director on financial data on operational activities in 1991 (E.CN.7/1992/CRP.10 and Corr.1).

207. The Head of Programme Support Service of UNDCP introduced the item by explaining to the Committee several points contained in the budget document. The UNDCP secretariat answered questions posed by a number of speakers on specific items in the budget. Several speakers commended the secretariat for its excellent work in preparing the budget, noting that it had been the first exercise of its kind. Mention was made of the problem of budgeting where voluntary contributions could not be predicted, and of the fact that the extrabudgetary resources provided to the Fund were earmarked for special purposes. The importance of charging administrative costs in the appropriate amounts to funds earmarked for specific projects was noted. Some speakers requested clarifications as to why income from preceding years, involving both tied and general-purpose contributions, was carried over, and stressed the need to speed up disbursements. With respect to the programme proposals concerning the region of Africa, the explanations provided by the Head of Programme Support Service of UNDCP were also noted, in particular, the upward revision in the budget estimates for that region. In addition, some speakers expressed the view that the budget presentation should contain more detailed information on the objectives, priorities and criteria for the allocation of resources, in order to provide the Commission with a sufficient basis upon which to ground its decisions.

208. On the question of financial reserves, the secretariat provided clarifications of the purpose of each of the four types of reserve funds. A number of speakers thanked the secretariat for its explanations, but noted that, because of the complexity of the subject-matter, further clarification would be needed. Some speakers expressed their concern about the size of the reserves and of the amounts carried over from one year to the next.

209. Some speakers expressed their support for the recommendations contained in the ACABQ report. The meeting was ensured that the secretariat would do its utmost to comply with those recommendations. One speaker noted that ACABQ was primarily concerned with uniformity of budgeting procedures across the United Nations system, and while that was an important consideration, it might be outweighed by the specific needs of UNDCP.

210. A number of speakers particularly noted the need to provide a more detailed description of estimated resources and expenditures, and specific activities related to them, to allow the Commission to exercise its responsibilities. The need to establish clearer criteria for decisions relating to projects that should be financed from general-purpose contributions was discussed, as was the need for transparency and consistency with policy decisions contained in the Global Plan of Action annexed to General Assembly resolution S-17/2 and in other General Assembly resolutions.

211. Several speakers endorsed the recommendation by ACABQ that the proposed eight additional posts should be authorized on a temporary basis. One speaker, while accepting the inclusion of those posts in the budget of the Fund, underlined that extrabudgetary funds should not be used to finance posts that appeared to pertain to regular budget functions.

212. Regarding the proposed budget cycle, a number of speakers endorsed the suggestions put forward by the secretariat, as orally amended during the debate, to take into account the need for the Commission to provide the secretariat with a legal basis for authorizing expenditures during the first four months of the first year of a biennium, before the session of the Commission. It was agreed that, as far as possible, the budget cycle of the Fund should be synchronized with the biennial budget cycle of the United Nations system by the biennium 1996-1997.

213. At its 1073rd meeting, on 14 April 1992, the Commission considered agenda item 6, entitled "Programme of future work and priorities". It had before it a document on budget estimates for the biennium 1992-1993 (E.CN.7/1992/CRP.14), which contained a detailed breakdown, by country and by sector, of the proposed budget of the Fund for 1992 and 1993, as requested by the Committee of the Whole.

214. At its 1073rd meeting, on 14 April 1992, the Commission, following an oral report by the Chairman of the Committee of the Whole on the deliberations of the Committee, considered and adopted a draft resolution submitted by its Chairman entitled "Approval of the budget estimates of the programme of the Fund of the United Nations International Drug Control Programme and of the administrative and programme support costs budget of the Fund for the biennium 1992-1993" (E/CN.7/1992/L.20). For the text, see chapter XI, section A, resolution 12 (XXXV).

215. At its 1076th meeting, on 15 April 1992, the Commission adopted an amended version, submitted by the Chairman, of the draft resolution entitled "Methodology to be followed by the United Nations International Drug Control Programme with reference to the approval by the Commission on Narcotic Drugs of the proposed budget estimates of the Fund" (E/CN.7/1992/L.13), originally sponsored by Egypt, Mexico, Nigeria (on behalf of States members of the Commission which were members of the Group of 77) and Venezuela. The sponsors withdrew their original draft in deference to the Chairman. For the text, see chapter XI, section A, resolution 13 (XXXV).

216. Following the adoption of resolution 13 (XXXV), the representatives of Australia, France, Germany, Italy, United Kingdom and United States stated that they had joined the consensus only reluctantly. Several speakers pointed out that while there was need for proper oversight of and transparency in the operational activities of UNDCP, the unique nature of UNDCP should also be considered. Extrabudgetary review procedures effective in other United Nations bodies, of different natures and structures, would not necessarily be appropriate for UNDCP, and failure to recognize this could adversely affect the availability of untied resources to support UNDCP activities. The need for discretion in extrabudgetary contributions was emphasized, and reservations were expressed about opening it up to a public debate which could unnecessarily politicize the budgetary approval process and impede an effective dialogue between Member States on the substance of operational activities.

217. The representative of Australia drew attention to the need to direct resources to the more seriously affected regions and countries, and said that

consultations were often best conducted with individual countries, or with countries in a particular region. The representative of the United Kingdom referred to recommendations made by ACABQ, which had suggested steps that both UNDCP and the Commission could pursue in approving budget estimates, and pointed out that those recommendations said nothing about holding informal consultations. Nevertheless, paragraph 4 of the resolution called for the convening of informal consultations to discuss the budget estimates. He felt that such consultations were unnecessary for the budgetary approval process. The representative of Italy recalled the extended conversations that had taken place with many other concerned delegations on an alternative text that, in order to facilitate dialogue, had not been formally submitted. That text had been supported by several members of the Commission and was fully in accordance with section XVI, paragraph 2, of General Assembly resolution 46/185 C. He regretted that, despite every effort, the text approved neither reflected the suggestions of the Italian delegation nor took into account its concerns. In addition, the representative of the United States of America emphasized that the Commission should focus on its principal objective, namely the elimination of illicit drug production, trafficking and abuse, and design procedures to support that objective, rather than institutionalize processes and mechanisms that could be premature, inappropriate or counterproductive.

218. One speaker pointed out that the resolution accorded UNDCP sufficient flexibility and introduced necessary democratic elements. UNDCP was a programme of the United Nations and should reflect its multilateral spirit.

219. At its 1070th meeting, on 10 April 1992, the Commission considered the part of agenda item 6, entitled "Programme of future work and priorities", that dealt with the proposed revisions to the medium-term plan for the period 1992-1997. It had before it a note by the Secretariat on the subject (E/CN.7/1992/12/Add.2/Rev.1).

220. In introducing the subject, the Chairman drew attention to the ongoing internal review of the structure of the medium-term plan and the possibility of its update at a later stage. The Commission, therefore, did not modify its earlier decision, taken at its eleventh special session (E/1990/24, paragraphs 107-110), on the assignment of priorities among the subprogrammes.

Chapter IX

ADOPTION OF THE REPORT OF THE COMMISSION ON ITS THIRTY-FIFTH SESSION

221. At its 1076th meeting, on 15 April 1992, the Commission adopted by consensus the report on its thirty-fifth session (E/CN.7/1992/L.1 and Add.1-18), as orally amended.

Chapter X

ORGANIZATION OF THE SESSION AND ADMINISTRATIVE MATTERS

A. Opening and duration of the session

222. The Commission on Narcotic Drugs held its thirty-fifth session at Vienna from 6 to 15 April 1992. Sixteen plenary meetings (1061st-1076th meetings) and eight meetings of the Committee of the Whole were held. UNDCP served the Commission as secretariat. The outgoing Chairman opened the thirty-fifth session.

B. Attendance

223. The session was attended by the representatives of 53 States members of the Commission, by observers for 45 other States and by representatives of 6 specialized agencies, 11 intergovernmental organizations and 20 non-governmental organizations in consultative status with the Economic and Social Council (annex II).

C. Election of officers

224. At its 1061st and 1063rd meetings, on 6 and 7 April 1992, the Commission elected the following officers:

Chairman: Eugenio Anguiano (Mexico)

Vice-Chairmen: M.M. Bhatnagar (India)
F. Kwajafa (Nigeria)
Jaroslav Říha (Czechoslovakia)

Rapporteur: Balkan Kizildeli (Turkey)

225. A group composed of a representative of each regional group was established to assist the Chairman in dealing with organizational matters.

226. In a statement made at the opening meeting, the Chairman said that the tasks before the Commission at its thirty-fifth session would be to evaluate UNDCP activities, to approve the programme budget of the UNDCP Fund and the administrative and programme support costs budget for the biennium 1992-1993, to give policy guidance to UNDCP and to propose future programmes and priorities.

227. The Executive Director also addressed the Commission at its opening meeting, highlighting some of the key issues before the Commission.

D. Adoption of the agenda

228. At its 1061st meeting, on 6 April 1992, the Commission adopted by consensus the provisional agenda (E/CN.7/1992/1) agreed on by the Commission at its thirty-fourth session, approved by the Economic and Social Council in its resolution 1991/39. The agenda was as follows:

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

3. General debate:

   (a) Report of the Executive Director of the United Nations International Drug Control Programme;

   (b) Examination of the world situation with respect to drug abuse, including the implementation of the Global Programme of Action:

      (i) Measures to control and to reduce illicit demand;

      (ii) Measures to control and to reduce illicit trafficking;

      (iii) Measures to control and to reduce illicit supply.

4. Implementation of the international drug control treaties:

   (a) Changes in the scope of control of substances and consideration of notifications of the Secretary-General from Governments, the World Health Organization and the International Narcotics Control Board;

   (b) International Narcotics Control Board;

   (c) Other urgent action required under the international drug control treaties.

5. Priority topics:

   (a) Promotion of coordination and cooperation at the international and regional levels;

   (b) Review of the functioning of the Commission on Narcotic Drugs.

6. Programme of future work and priorities.

7. Other matters.

8. Adoption of the report of the Commission on its 1992 session.

229. At the same meeting, the Commission established a Committee of the Whole and allocated to it consideration of agenda items 5, 6 and 7. The three Vice-Chairmen chaired the Committee of the Whole in rotation.

E. Documentation

230. The documents before the Commission at its thirty-fifth session are listed in annex III.

CHAPTER XI

RESOLUTIONS AND DECISIONS ADOPTED BY THE COMMISSION AT ITS THIRTY-FIFTH SESSION

A. Resolutions

231. The Commission, at its thirty-fifth session, adopted the following resolutions:

Resolution 1 (XXXV)

Control of proceeds from illicit traffic in narcotic drugs*

The Commission on Narcotic Drugs,

Aware that the control of money laundering is an essential element in the struggle against the illicit traffic in narcotic drugs,

Convinced that common and homogeneous control measures should be adopted by all Member States,

Mindful of the provisions of articles 3 and 5 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 1/

Recalling the recommendations contained in the Global Programme of Action adopted by the General Assembly at its seventeenth special session 2/ on measures to be taken against the effects of money derived from, used in or intended for use in illicit drug trafficking, illegal financial flows and illegal use of the banking system,

Bearing in mind the Convention of the Council of Europe on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of 8 November 1990, 3/

Bearing in mind also the model regulations concerning laundering offences connected with illicit drug trafficking and related offences adopted by the Inter-American Drug Abuse Control Commission at its eleventh session held at Punta del Este in March 1992,

Noting the forty recommendations on strengthening the efforts of the international community in the fight against money laundering, adopted by the Financial Action Task Force established by the heads of State or Government of the Group of Seven major industrialized countries and the President of the Commission of the European Communities at the fifteenth annual economic summit, held in Paris in July 1989,

Welcoming the international efforts already being undertaken in this field to ensure coordination and consultation, including the Council of the European Economic Community Directive of 10 June 1991 on the prevention of the use of the financial system for the purpose of money laundering,

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* See paragraph 30 above.

1. Invites the United Nations International Drug Control Programme to collect relevant information on national legislation, as described in the report of the Executive Director on the five-year plan to implement the Global Programme of Action adopted by the General Assembly at its seventeenth special session: [4]

2. Invites Member States to make every effort to bring their national legislation into conformity with the provisions of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, taking into account the recommendations contained in the report of the Financial Action Task Force and in the Global Programme of Action;

3. Also invites Member States, in accordance with the provisions of article 5, paragrph 5, of the 1988 Convention and paragraph 72 of the Global Programme of Action, to consider contributing forfeited property or proceeds to the Fund of the United Nations International Drug Control Programme to assist the latter in carrying out its mandate in the field of international drug aubse control;

4. Invites the United Nations International Drug Control Programme to continue developing, within the framework of existing activities and in consultation with the relevant international financial institutions, programmes of technical cooperation that include assistance in drafting or revising legislation, training for investigative and financial personnel, the development of intercountry collaboration and the provision of advice on strategies and techniques;

5. Invites all Member States to avail themselves, as appropriate, of the assistance of the United Nations International Drug Control Programme in pursuing the objectives set forth in paragraph 2 above;

6. Invites the Programme to implement the present resolution in cooperation with other United Nations entities, in particular, with the Crime Prevention and Criminal Justice Branch of the Centre for Social Development and Humanitarian Affairs;

6. Also invites the Programme to report to the Commission on Narcotic Drugs at its thirty-sixth session on the follow-up to the present resolution.

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[1] United Nations publication, Sales No. E.91.XI.6.

[2] General Assembly resolution S-17/2, annex, of 23 February 1990.

[3] European Treaty Series, No. 141 (Strasbourg, Council of Europe, 1990).

[4] E/CN.7/1992/10 and Corr.1

Resolution 2 (XXXV)

The initiative "debt for alternative development"*

The Commission on Narcotic Drugs,

Deeply concerned about the effects of illicit drug cultivation, production, trafficking and use on, inter alia, the socio-economic structures of States,

Mindful of the negative impact of diverting scarce resources to combat illicit drug cultivation, production, trafficking and use, which poses a major strain on national economies, especially those of developing countries,

Taking into account the fact that the external debt burden diminishes the ability of States to achieve sustained development and has an adverse effect on resources that could be used for alternative development and could thereby contribute to global efforts in the fight against illicit drugs,

Taking note of the promising, pioneering initiative taken by the United Nations International Drug Control Programme in developing the concept of swapping debt for alternative development, 1/

Stressing the fact that under the initiative taken by the United Nations International Drug Control Programme, part of the official bilateral debt of heavily indebted countries, in agreement with their creditors, could be set aside in local currency in national "funds for alternative development", to be used specifically for financing alternative development activities,

1. Recommends the Executive Director of the United Nations International Drug Control Programme to take further steps to study the initiative taken by the Programme in developing the concept of swapping debt for alternative development and to submit to the Commission on Narctoic Drugs at its thirty-sixth session a progress report on that subject;

2. Encourages the international community to associate itself with the initiative of the United Nations International Drug Control Programme.

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* See paragraph 31 above.

1/ E/CN.7/1992/7, para. 25.

Resolution 3 (XXXV)

Illicit drug cultivation and manufacture: a threat to the ecosystem*

The Commission on Narcotic Drugs,

Bearing in mind that the General Assembly, in the Political Declaration and Global Programme of Action adopted at its seventeenth special session, 1/ has pointed out the importance of establishing effective drug-control programmes, including the assessment and study, by the United Nations Environment Programme, of the effects on the environment of expanding cultivation and manufacture of narcotic drugs, and of methods used for the eradication of illicit production of narcotic drugs,

Considering that large geographical areas of the world are suffering the consequences of the actions of drug taffickers, who, in their search for land for use in the cultivation of illicit crops, are engaging in deforestation and widespread degradation of woodlands and natural reserves, are using herbicides and fungicides with highly toxic effects, and are indiscriminately discharging wastes from chemicals used in drug processing into bodies of water,

Deeply concerned that many indigenous communities that have had their natural habitat in such areas for hundreds or thousands of years are being evicted from their lands, murdered or forced to witness the destruction of their unique culture,

1. Urges the Executive Director of the United Nations International Drug Control Programme to convey, in a written communication to the United Nations Conference on Environment and Development, to be held at Rio de Janeiro, Brazil, from 3 to 14 June 1992, the importance of analysing the link that exists between illicit drug cultivation and manufacture and environmental damage;

2. Requests the Executive Director to approach the United Nations Environment Programme to ascertain the progress achieved in studying the environmental effects of illicit drug cultivation and manufacture and to report to the Commission at its thirty-sixth session.

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* See paragraph 33 above.

1/ General Assembly resolution S-17/2 of 23 February 1990.

Resolution 4 (XXXV)

Proposed measures concerning legal cooperation and legal assistance*

The Commission on Narcotic Drugs,

Considering that illicit traffic in narcotic drugs and psychotropic substances is a criminal activity that extends beyond national boundaries,

Taking into account the work undertaken by the Commission and the Model Treaty on Extradition, the Model Treaty on Mutual Assistance in Criminal Matters and the Model Treaty on the Transfer of Proceedings in Criminal Matters, adopted by the General Assembly in its resolutions 45/116, 45/117, 45/118 of 14 December 1990,

Aware of the need to strengthen international legal cooperation in general, and mutual assistance between States in particular, using expeditious and efficient means that permit the effective prosecution of persons involved in illicit drug trafficking and related offences,

Recognizing the need to adopt concrete measures to facilitate the exchange of evidence between countries for use in judicial proceedings,

Reaffirming the urgency of giving practical effect, if steps have not already been taken to do so, to article 7 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 1/

Bearing in mind that the strengthening of judicial and legal systems and law enforcement agencies is one of the activities accorded priority by the General Assembly in the Political Declaration and Global Programme of Action adopted at its seventeenth special session 2/ and by the Commission on Narcotic Drugs in its resolution 2 (XXXIV) of 9 May 1991,

1. Calls upon all States that have not already done so to adopt legislative measures to facilitate mutual legal assistance in investigations, prosecutions and judicial proceedings, and to establish internal mechanisms to permit the timely transfer of evidence in investigations, prosecutions and judicial proceedings in connection with illicit drug trafficking and related offences, to the extent permitted in accordance with domestic law;

2. Urges the international community to conclude bilateral or multilateral agreements or arrangements to permit the efficient and expeditious processing of requests for mutual legal assistance;

3. Requests the Executive Director of the United Nations International Drug Control Programme, in collaboration with the Crime Prevention and Criminal Justice Branch of the Centre for Social Development and Humanitarian Affairs, to include, among the priorities of the five-year plan for the implementation of the Global Programme of Action, legal cooperation in general and, in particular, cooperation in mutual legal assistance connected with illicit drug trafficking and related offences.

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* See paragraph 33 above.

1/ E/CONF.82/15 and Corr.2.

2/ General Assembly resolution S-17/2 of 23 February 1990.

Resolution 5 (XXXV)

Control of illicit drug supply*

The Commission on Narcotic Drugs,

Recalling that in the Single Convention on Narcotic Drugs of 1961, 1/ that Convention as amended by the 1972 Protocol 2/ and the Convention on Psychotropic Substances of 1971, 3/ the parties to those Conventions expressed their great concern about the scourge of drugs (in its individual and social consequences) and their determination to combat it,

Recalling also that in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 4/ the parties to that Convention stressed the magnitude of and rising trend in illicit drug production, demand and trafficking and expressed their desire to eliminate the root causes of the problem,

Also recalling that, according to the 1961 Convention as amended by the 1972 Protocol, in particular, articles 12 and 14, States are invited to furnish to the International Narcotics Control Board the estimates necessary to facilitate the application of that Convention and the Board should assist States in fulfilling their obligations,

Further recalling that the Global Programme of Action adopted by the General Assembly at its seventeenth special session 5/ and the Comprehensive Multidisciplinary Outline of Future Activities in Drug Abuse Control 6/ recommend better control of illicit drug production,

Taking note of the report of the International Narcotics Control Board for 1991, 7/ which shows that the situation has worsened with regard both to illicit drug production and to illicit consumption and trafficking,

1. *Requests* the United Nations International Drug Control Programme to consider the possibility of assisting, on request from the States concerned:

(a) In the establishment, in States and areas producing both natural narcotic drugs and psychotropic substances, of systems for the evaluation and control of production that take better account of observed growth in illicit cultivation and production;

(b) In applying, in the States and areas concerned, appropriate modern technology to evaluate and control illicit cultivation and production with a view to eradicating them, and to assess the possibility of crop substitution or development alternatives, bearing in mind the availability of funds;

2. *Invites* the United Nations International Drug Control Programme, on the suggestion of the States concerned, to identify an existing producing area where such an initiative could be implemented, and to report to the Commission

on Narcotic Drugs at its thirty-seventh session on the progress achieved, including an estimate of the potential financial implications.

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* See paragraph 33 above.

1/ United Nations, Treaty Series, vol. 528, No. 7515.

2/ Ibid., vol. 976, No. 14512.

3/ Ibid., vol. 1019, No. 14956.

4/ United Nations publication, Sales No. E.91.XI.6.

5/ General Assembly resolution S-17/2, annex, of 23 February 1990.

6/ United Nations publication, Sales No. E.87.I.18, chapt.I, sect. A.

7/ United Nations publication, Sales No. E.91.XI.4.

Resolution 6 (XXXV)

Declaration of San Antonio*

The Commission on Narcotic Drugs,

Recognizing the progress that has been achieved by the international community in terms of accepting the interlinkage between illicit drug production, trafficking and consumption,

Recalling that the Cartagena Declaration, signed by Bolivia, Colombia, Peru and the United States of America at Cartagena, Colombia, on 15 February 1990, laid the foundation for the development of a comprehensive and multilateral strategy to deal with the illicit drug problem,

Applauding the fact that Ecuador, Mexico, Venezuela and the signatories to the Cartagena Declaration decided to join their efforts by signing the Declaration of San Antonio at San Antonio, Texas, on 27 February 1992,

Recognizing the need to ensure greater cohesion, participation and progress in efforts to combat illicit drugs,

Associating itself with the spirit embodied in the signing of the Declaration of San Antonio,

1. Encourages States, separately or in groups, to take steps to create mechanisms for joint action similar to the Declaration of San Antonio, in order to deal with the illicit drug problem in the necessary areas;

2. Invites more States to associate themselves with the Declaration of San Antonio;

3. Requests the Secretary-General to transmit the present resolution to all Governments for consideration and implementation.

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* See paragraph 58 above.

Resolution 7 (XXXV)

United Nations Decade against Drug Abuse*

The Commission on Narcotic Drugs,

Recalling that in the Political Declaration adopted by the General Assembly at its seventeenth special session, 1/ the General Assembly proclaimed the period from 1991 to 2000 the United Nations Decade against Drug Abuse in order to intensify international cooperation and to increase the efforts of States in that direction,

Mindful of the fact that the key objective of the Decade is to promote the implementation of the Global Programme of Action,

Reaffirming that the international drug control treaties and the Global Programme of Action together constitute the basic framework for international cooperation in the field of drug control,

1. Invites all Governments, specialized agencies and intergovernmental and non-governmental organizations to provide the fullest possible cooperation and support to the United Nations International Drug Control Programme in coordinating and implementing the United Nations Decade against Drug Abuse;

2. Considers that the Decade, having been proclaimed by the General Assembly as a global response to the global challenge of drug abuse, should, where possible, be financed from within the existing level of resources of the regular budget of the United Nations;

3. Invites Member States to make voluntary contributions to strengthen the impact and effectiveness of the Decade;

4. Requests the Executive Director of the United Nations International Drug Control Programme to submit to the Commission on Narcotic Drugs a report on Decade-related progress, plans and requirements.

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* See paragraph 98 above.

1/ General Assembly resolution S-17/2, annex, of 23 February 1992.

Resolution 8 (XXXV)

Implementation of the articles of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 relating to illicit traffic by sea*

The Commission on Narcotic Drugs,

Concerned about the magnitude and pervasiveness of the illicit traffic by sea in narcotic drugs and psychotropic substances and in precursors and essential chemicals,

Bearing in mind the special nature of the problem of illicit traffic by sea, in view of the unique marine environment and the many international dimensions involved,

Having regard to the clear need for international cooperation in suppressing illicit traffic by sea, which is recognized in the Single Convention on Narcotic Drugs of 1961, 1/ that Convention as amended by the 1972 Protocol, 2/ the Convention on Psychotropic Substances of 1971 3/ and the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 4/

Desiring in particular to promote full implementation of the provisions of article 17 of the 1988 Convention, entitled "Illicit traffic by sea",

Recognizing that specific provisions of other articles of the 1988 Convention, particularly articles 3, 4, 5, 6, 9, 12 and 15, are also applicable to the suppression of illicit traffic by sea,

Noting that several formal bilateral agreements on the implementation of article 17 of the 1988 Convention have already been negotiated between parties to that Convention, and that numerous ad hoc arrangements consistent with the framework for international cooperation provided for in article 17 have been agreed to between parties to that Convention,

Conscious of recent regional commitments to promote greater cooperation in this regard, including that reflected in the Declaration of San Antonio, 5/ signed by the Presidents of Bolivia, Colombia, Ecuador, Mexico, Peru and the United States of America and the Minister of Foreign Relations of Venezuela at San Antonio, Texas, on 27 February 1992, and the ongoing work of the Pompidou Group of the Council of Europe aimed at concluding a regional agreement to implement article 17 of the 1988 Convention,

Noting the work being carried forward by the Customs Cooperation Council with respect to cooperation between customs administrations and international traders and carriers to combat, inter alia, illicit traffic in narcotic drugs and psychotropic substances,

Recalling the positive response by the Commission on Narcotic Drugs at its thirty-fourth session 6/ to a proposal by the Secretary-General for "periodic meetings of States parties to focus on articles of the Convention that call for increased cooperation between States parties", with specific reference to article 17 of the 1988 Convention, 7/

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* See paragraph 178 above.

Convinced of the urgent need for all States to cooperate to the fullest extent possible to suppress illicit traffic by sea, in conformity with the international law of the sea,

1. Calls upon all parties to the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 that have not already done so to implement fully the provisions of article 17 of that Convention;

2. Encourages all States not parties to the 1988 Convention to adopt, to the extent possible, the provisions of article 17 of that Convention, or equivalent measures, to promote greater cooperation in combating illicit traffic by sea;

3. Commends States that have fully implemented the provisions of article 17 of the 1988 Convention, or equivalent measures, and that have undertaken an active role in combating illicit traffic by sea;

4. Urges each State implementing the articles of the 1988 Convention concerning illicit traffic by sea, or equivalent measures, to give priority to the following:

(a) Ensuring that illicit trafficking is punishable as a criminal offence under national law pursuant to article 3 of that Convention and in accordance with international law;

(b) Extending its jurisdiction over such criminal offences pursuant to article 4 of that Convention and in accordance with the limits established in national and international law;

(c) Notifying the Secretary-General of the authority responsible for receiving requests for cooperation pursuant to article 17 of that Convention, including with the notification sufficient information to facilitate the rapid transmission and receipt of such requests;

(d) Maintaining a system of records of the vessels in its registry that will enable it to confirm the registry of its vessels upon request;

(e) Responding expeditiously to requests from other States for confirmation of vessel registry and for authorization to take appropriate measures in regard to that vessel pursuant to article 17, paragraph 3, of that Convention;

5. Recommends that each State implementing article 17 of the 1988 Convention, or equivalent measures, should consider:

(a) Ensuring that action taken pursuant to paragraph 4(d) of the present resolution includes reference in the system of records to as many vessel particulars as possible to facilitate confirmation of vessel registry as rapidly as possible;

(b) Including in the system of records of the vessels in its registry, to the extent possible, vessels not normally used for international commerce or navigation on the high seas, but of a type which the flag State in its judgement considers likely to be used for illicit traffic by sea;

(c) Publishing or otherwise making available a description of the vessel documents and markings required by its registry;

(d) Developing, in advance of any specific requests for cooperation, general policies and procedures related to the circumstances and manner in which, in appropriate cases, cooperation will be provided to other States involved in maritime law enforcement;

6. Calls for further discussion at its future sessions, as well as at other appropriate meetings sponsored by the United Nations International Drug Control Programme, of ways in which parties to the 1988 Convention may promote full implementation of article 17 of that Convention at the national level together with their related bilateral and regional cooperation efforts;

7. Recommends that the United Nations International Drug Control Programme, in developing its regional programmes, should take due account of the importance of providing technical and other assistance to States with regard to the implementation of article 17 of the 1988 Convention, especially the development and maintenance of a database or other system of records of the vessels in their registry;

8. Recommends also that, with respect to its future work in combating illicit traffic by sea, the United Nations International Drug Control Programme should draw upon the work of, and coordinate its activities with, other appropriate United Nations entities, especially the International Maritime Organization, with particular reference to the International Maritime Organization document entitled "Prevention of drug smuggling on ships engaged in international traffic: guidelines for use by shipowners, seafarers and others closely involved with the operation of ships", of 26 November 1987;

9. Invites States to establish procedural and cooperative measures of the kind developed by the Customs Cooperation Council in order, pursuant to article 15 of the 1988 Convention, to ensure that the means of transport operated by commercial carriers are not used in the commission of offences established in accordance with article 3 of that Convention;

10. Urges States to consider entering into formal bilateral and regional agreements and arrangements to enhance the framework provided in article 17 of the 1988 Convention for cooperation in maritime drug law enforcement;

11. Also urges States to consider more effective ways of cooperating to combat illicit traffic by sea, such as training and the exchange of information;

12. Requests the Secretary-General to transmit the present resolution to all Governments for consideration and implementation.

1/ United Nations, Treaty Series, vol. 528, No. 7515.

2/ Ibid., vol. 976, No. 14152.

3/ Ibid., vol. 1019, No. 14956.

4/ United Nations publication, Sales No. E.91.XI.6.

5/ See E/CN.7/1992/13, annex.

6/ See Official Records of the Economic and Social Council, 1991, Supplement No.4 (E/1991/24), para. 240.

7/ E/CN.7/1991/13 and Corr.1 and 2.

Resolution 9 (XXXV)

Monitoring of activities of the United Nations International Drug Control Programme and policy guidance*

The Commission on Narcotic Drugs,

Bearing in mind that the General Assembly, in its resolution 45/179 of 21 December 1990, underlined the role of the Commission on Narcotic Drugs as the principal United Nations policy-making body on drug control issues,

Recalling that the Economic and Social Council, in its resolution 1991/38 of 21 June 1991, entitled "Terms of reference of the Commission on Narcotic Drugs", called upon the Commission to give policy guidance to the new United Nations International Drug Control Programme and to monitor its activities,

Considering that it should decide how it wishes to fulfil the mandate given to it by the Economic and Social Council in its resolution 1991/38,

Considering also that, in view of the fact that it holds only one annual session, which lasts a maximum of eight working days, its work should be organized in a way that would allow sufficient time for a substantive exchange of views on key issues relating to recent developments in the illicit drug situation and their effect on activities of the United Nations International Drug Control Programme,

Convinced that a well-organized and properly focused general debate could also considerably facilitate a substantive exchange of such views during the sessions of the Commission,

1. Decides that, starting with the thirty-sixth session of the Commission on Narcotic Drugs, under the agenda item entitled "General Debate":

(a) There shall be two sub-items, "General statements", devoted to introductory statements of a general nature, and "Substantive debate and conclusions";

(b) Practical steps shall be taken to limit the time devoted to the sub-item on general statements to four or five working meetings, including in particular:
  (i) Strict limitation of general statements to a maximum of ten minutes;
  (ii) A request to Governments to circulate, in advance of the session of the Commission, the text of those parts of their statements concerning national drug control policies;
  (iii) Early closing of the list of speakers;

(c) The sub-item on substantive debate and conclusions shall be covered at the end of the session and shall centre on a few significant themes introduced by the Chairman on the basis of the views expressed in the sub-item on general statements;

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* See paragraph 204 above.

(d) The sub-item on substantive debate and conclusions shall lead to the adoption of a text reflecting the main concerns, appraisals and orientations of the Commission with regard to drug abuse issues and the activities of the United Nations International Drug Control Programme. This text, proposed by the Chairman in consultation with the extended bureau, shall constitute the introductory chapter of the report of the Commission and shall complement the resolutions and decisions of the Commission;

2. Appeals to delegates to contribute to the successful implementation of the present resolution by exercising restraint with regard to the length of their general statements and by participating actively in the substantive debate.

Resolution 10 (XXXV)

Operational activities of the United Nations International Drug Control Programme*

The Commission on Narcotic Drugs,

Recalling the recommendations of the Global Programme of Action adopted by the General Assembly at its seventeenth special session, 1/ concerning, in particular, the need for a balanced approach, regarding both narcotic drugs and psychotropic substances, in the fight against illicit drugs at the global, regional and subregional levels,

Recognizing the need for the operational activities of the United Nations International Drug Control Programme to reflect such a balanced approach,

Bearing in mind its role as the principal United Nations policy-making body on drug control issues, underlined by the General Assembly in its resolution 45/179 of 21 December 1990, and the role of the Executive Director of the United Nations International Drug Control Programme as coordinator of all United Nations activities in the fight against illicit drugs,

Recognizing the need to enhance direct dialogue at the regional level between all countries involved in the operational activities of the United Nations International Drug Control Programme, taking into account the specific needs of those countries, as a means of assisting the Commission on Narcotic Drugs in formulating its guidelines for the activities of the Programme,

1. Requests the Executive Director of the United Nations International Drug Control Programme to examine the feasibility of establishing appropriate regional mechanisms:

(a) To evaluate the operational activities of the Programme relating to narcotic drugs and psychotropic substances in each region;

(b) To report to the Commission on Narcotic Drugs by giving advice on existing and possible new activities;

2. Invites the Executive Director of the Programme to report to the Commission at its thirty-sixth session on this matter.

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* See paragraph 204 above.

1/ General Assembly resolution S-17/2, annex, of 23 February 1990.

Resolution 11 (XXXV)

Cooperation between the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice*

The Commission on Narcotic Drugs,

Reaffirming that illicit trafficking in narcotic drugs and psychotropic substances is a criminal activity that requires effective, concerted and multidisciplinary action at the national, regional and international levels,

Recognizing that the scope of international cooperation in support of technical assistance programmes in all fields of drug abuse control and crime prevention and criminal justice should be extended and increased as a matter of urgency,

Bearing in mind that effective and concerted action and expanded international cooperation depend on improved coordination of all related drug control activities within the United Nations system in order to ensure the continuing relevance and responsiveness of the system to existing and emerging needs,

Alarmed by the fact that large financial profits derived from criminal activity enable transnational criminal organizations to penetrate, contaminate and corrupt the structure of Governments, legitimate commercial activities and society at large, thereby impeding economic and social development, distorting the process of law and undermining the foundations of States,

Recalling the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, 1/

Recalling also General Assembly resolutions S-17/2 of 23 February 1990, 45/107, 45/121 and 45/123 of 14 December 1990 and 46/152 of 18 December 1991,

1. Welcomes the establishment of the Commission on Crime Prevention and Criminal Justice as a functional commission of the Economic and Social Council;

2. Decides to cooperate actively with the Commission on Crime Prevention and Criminal Justice, and to continue coordination with the Commission on Social Development, the Commission on Transnational Corporations and other intergovernmental bodies, in order to increase the efficiency and effectiveness of United Nations activities in areas of mutual concern and interest;

3. Requests the Executive Director of the United Nations International Drug Control Programme to prepare suggestions on how cooperation could be most effectively realized, in particular with the Commission on Crime Prevention and Criminal Justice, and to submit them to the Commission on Narcotic Drugs for consideration;

4. Requests the Secretary-General to encourage cooperation and coordination with the bodies referred to in paragraph 2 above.

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* See paragraph 205 above.

1/ United Nations publication, Sales No. E.91.XI.6.

Resolution 12 (XXXV)

Approval of the budget estimates of the programme of the Fund of the United Nations International Drug Control Programme and of the administrative and programme support costs budget of the Fund for the biennium 1992-1993*

The Commission on Narcotic Drugs,

Bearing in mind the new administrative and financial functions entrusted to it by the General Assembly in paragraph 2 of its resolution 46/185 C, section XVI, of 20 December 1991,

Having considered the proposals of the Executive Director of the United Nations International Drug Control Programme, 1/

Having also considered the report of the Advisory Committee on Administrative and Budgetary Questions related to the administrative and programme support costs of the Programme, 2/

Resolves that for the biennium 1992-1993:

(a) The approved budget estimates are $US 81,809,800 for 1992 and $85,919,300 for 1993, resulting in a total of $167,729,100 with the expenditure pattern by sector proposed in those estimates;

(b) The administrative and programme support costs are estimated at $6,122,000 for 1992 and $6,495,400 for 1993, for a total of $12,617,400, including an increase of four posts in 1992 and four posts in 1993 as indicated in the budget document, with the expenditure pattern by object of expenditure proposed in those estimates.

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* See paragraph 214 above.

1/ E/CN.7/1992/12/Add.1.

2/ E/CN.7/1992/12/Add.3.

Resolution 13 (XXXV)

Methodology to be followed by the United Nations International Drug Control Programme with reference to the approval by the Commission on Narcotic Drugs of the proposed budget estimates of the Fund*

The Commission on Narcotic Drugs,

Bearing in mind the new administrative and financial functions entrusted to it by the General Assembly in its resolution 46/185 C, section XVI, of 20 December 1991,

Recognizing the desirability of transparency in the budget process and the necessity of extending the dialogue between the United Nations International Drug Control Programme and Member States and observers, with a view to enhancing the effectiveness of the Programme in combating production, consumption, manufacturing and trafficking of illicit drugs,

Acknowledging the need to base the budget of the programme of the Fund of the United Nations International Drug Control Programme and the administrative and support costs budget of the Fund on the priority strategies outlined in the Global Programme of Action adopted by the General Assembly at its seventeenth special session 1/ and in the medium-term plan for the period 1992-1997, 2/ and to assure a meaningful relationship between those strategies and the resulting budget submissions,

Having considered the note by the Secretariat on the programme of future work and priorities of the Commission, 3/ in particular, paragraphs 12 to 17 on the preparation of the budget estimates and the calendar of submissions from the United Nations International Drug Control Programme to the Commission for approval,

Having also considered the report of the Advisory Committee on Administrative and Budgetary Questions on the proposed administrative and programme support costs of the United Nations International Drug Control Programme, 4/

Considering the desirability of providing the United Nations International Drug Control Programme, in line with General Assembly resolutions 45/179 of 21 December 1990 and 46/103 of 16 December 1991, all the necessary logistic support required to fulfil its mandate effectively,

1. Endorses the comments and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions on the proposed administrative and programme support costs of the United Nations International Drug Control Programme;

2. Approves, as a temporary procedure, the proposal of the Executive Director to prepare the budget submissions of the United Nations International Drug Control Programmme according to the following calendar, bearing in mind the need to fully synchronize the budget cycle of the Programme with that of the United Nations as a whole:

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* See paragraph 215 above.

(a) In the first year of the biennium 1992-1993, the Programme would submit budget estimates for the biennium based on known income for the first year and on projections for the second;

(b) In the second year of the biennium 1992-1993, the Programme would submit revised budget estimates based on known expenditure and programme performance and delivery during the first year of the biennium and on known income for the second year. At the same time, projections for the first year of the biennium 1994-1995 are to be submitted by the Programme;

3. Decides that the documentation to be submitted by the Programme to the Commission on Narcotic Drugs to assist it in carrying out its administrative and budgetary functions should include in future, on an experimental basis, descriptions of the following:

(a) The general criteria to be applied by the Executive Director of the United Nations International Drug Control Programme in the utilization of resources, taking into account the priorities and objectives of the Global Programme of Action adopted by the General Assembly at its seventeenth special session and the medium-term plan for the period 1992-1997, the nature, scope and complexity of the problems dealt with, and the relative needs of recipient countries;

(b) The goals and objectives of the programmes and operational activities covered in the budget, including indicators for the evaluation of expected results;

(c) Each trust fund created from voluntary contributions for specific purposes, with a clear definition of its purposes and limits in accordance with the draft financial rules of the Fund of the United Nations International Drug Control Programme and the Financial Regulations and Rules of the United Nations;

4. Decides to convene, without financial implications for the regular budget of the United Nations, informal consultations at Vienna in the fourth quarter of 1992 to discuss revised budget estimates for 1993 with a view to ensuring the active involvement of member States of the Commission in the budget process and to facilitating approval of the revised budget estimates by the Commission at its thirty-sixth session;

5. Also decides to review the budget format and methodology at its thirty-seventh session and to consider any adjustments that may be required in the light of experience.

1/ General Assembly resolution S-17/2, annex, of 23 February 1990.

2/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 6 (A/45/6/Rev.1), vol. II, paras. 28.1-28.54.

3/ E/CN.7/1992/12.

4/ E/CN.7/1992/12/Add.3

B. Decisions

232. The Commission, at its thirty-fifth session, adopted the following decisions:

Decision 1 (XXXV)

Ministerial-level conference at the twenty-ninth session of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East*

At its 1076th meeting, on 15 April 1992, the Commission on Narcotic Drugs, pursuant to an invitation by the Government of the Islamic Republic of Iran to host a ministerial level conference of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East, decided to convene the conference at Tehran at a date to be determined by the Government of the Islamic Republic of Iran in consultation with the United Nations International Drug Control Programme and to approve the following provisional agenda for the meeting:

Provisional agenda

1. Opening of the meeting.
2. Election of officers.
3. Adoption of the agenda and organization of work.
4. Implementation of the recommendations of the twenty-eighth session of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East.
5. Measures to enhance the effectiveness of regional cooperation in drug abuse control, including:
    - (a) Suppression of illicit trafficking in narcotic drugs and psychotropic substances in and through the region, including measures to be taken against illicit traffic by vessels, aircraft and vehicles;
    - (b) Measures to be taken against the effects of money derived from, used in, or intended for use in illicit drug trafficking, illegal financial flows and illegal use of the banking system;
    - (c) Measures to suppress illicit cultivation of the opium poppy and other narcotic plants;
    - (d) Strengthening of judicial and legal systems, including law enforcement;
    - (e) Measures to monitor substances frequently used for the illicit manufacture of narcotic drugs and psychotropic substances;
    - (f) Law enforcement training in the region covered by the Sub-Commission.
6. Other matters.
7. Adoption of the report.

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* See paragraph 123 above.

Decision 2 (XXXV)

Fifth Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean*

At its 1076th meeting, on 15 April 1992, the Commission on Narcotic Drugs decided that the Fifth Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean, should be held in Mexico at a venue and date to be determined by the Government of Mexico in consultation with the United Nations International Drug Control Programme.

Decision 3 (XXXV)

Recommendations for the organization of work of the subsidiary bodies*

At its 1076th meeting, on 15 April 1992, the Commission on Narcotic Drugs decided to approve the following recommendations for the organization of work of its subsidiary bodies:

(a) A State member of a subsidiary body may request the Secretariat to address an information copy of the letter of invitation, the agenda and documentation for a meeting to a national agency or agencies;

(b) Each subsidiary body should examine the implementation of drug law enforcement training programmes of the United Nations International Drug Control Programme at the regional level and recommend to the Commission further steps to be taken to enhance those programmes;

(c) Each subsidiary body should report regularly to the Commission on the current trends in the illicit drug traffic in its different aspects in the region;

(d) Each subsidiary body should assist the Commission in connection with the fulfilment of its new functions, particularly as concerns monitoring the implementation of drug law enforcement aspects of the Global Programme of Action, identify priority issues for drug law enforcement and monitor government implementation, and report thereon to the Commission as required;

(e) Each subsidiary body should consider establishing working groups at each meeting to examine in depth specific topics that have been, if possible, identified in advance, so that position papers on these topics can be circulated prior to the meeting;

(f) Each subsidiary body should monitor and review recommendations emanating from the previous meeting under a special agenda item on that subject;

(g) Subsidiary bodies should establish a dialogue between themselves on issues of mutual concern, especially when practical coordination or cooperation could result from such an exchange of information or perspectives.

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* See paragraph 123 above.

Decision 4 (XXXV)

Inclusion of N-acetylanthranilic acid, isosafrole, 3,4-methylenedioxyphenyl-2-propanone, piperonal and safrole in Table I of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988*

At its 1068th meeting, on 9 April 1992, the Commission on Narcotic Drugs, in accordance with article 12, paragraph 5, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, decided that N-acetylanthranilic acid, isosafrole, 3,4-methylenedioxyphenyl-2-propanone, piperonal and safrole should be included in Table I of that Convention.

Decision 5 (XXXV)

Inclusion of hydrochloric acid, excluding its salts, methyl ethyl ketone (2-Butanone; MEK), potassium permanganate, sulphuric acid, excluding its salts, and toluene in Table II of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988**

At its 1068th meeting, on 9 April 1992, the Commission on Narcotic Drugs, in accordance with article 12, paragraph 5, of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988, decided that hydrochloric acid, excluding its salts, methyl ethyl ketone (also referred to as 2-Butanone or MEK), potassium permanganate, sulphuric acid, excluding its salts, and toluene should be included in Table II of that Convention.

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* See paragraph 138 above.

** See paragraph 140 above.

Notes

1/ See General assembly resolution S-17/2, annex, of 23 February 1990.

2/ United Nations, Treaty Series, vol. 1019, No. 14956.

3/ United Nations publications, Sales No. E.91.XI.6.

4/ See Report of the United Nations Conference on Drug Abuse and Illicit Trafficking, Vienna, 17-26 June 1987 (United Nations publication, Sales No. E.87.I.18), chap. I, sect. A.

5/ United Nations, Treaty Series, vol. 528, No. 7515.

6/ United Nations publication, Sales No. E.91.XI.4.

Annex I

PROGRAMME BUDGET IMPLICATIONS OF THE DRAFT DECISIONS ON THE MEMBERSHIP AND ANNUAL MEETING OF THE SUB-COMMISSION ON ILLICIT TRAFFIC AND RELATED MATTERS IN THE NEAR AND MIDDLE EAST*

Statement submitted by the Secretary-General in accordance with rule 28 of the rules of procedure of the functional commissions of the Economic and Social Council a/

A. Requests contained in the draft decisions

1. In draft decision I entitled "Membership of the Sub-Commission on illicit traffic and related matters in the Near and Middle East" (E.CN.7/1992/3, paragraph 16), the Commission on Narcotic Drugs would recommend to the Economic and Social Council that it decide:

> "to approve the application of Iraq for membership in the Sub-Commission".

2. In draft decision II entitled "Annual meeting of the Sub-Commission on illicit traffic and related matters in the Near and Middle East" (E/CN.7/1992/3, paragraph 16), the Commission would recommend to the Economic and Social Council that it decide that:

> "in future the Sub-Commission will, in principle, meet once annually for a period of five days, in one of the countries of the region".

B. Activities by which the requests would be implemented

3. Should the Economic and Social Council adopt draft decision I, the Commission would invite a representative from Iraq to participate in sessions of the Sub-Commission. The additional travel costs for the participation of the representative of Iraq in one annual session in the region is estimated to be $US 900. In this connection, it is estimated that the additional costs of $1,800 for the biennium could be met from the resources provided for under section 22 of the programme budget for the biennium 1992-1993. b/

4. In accordance with Economic and Social Council resolution 1988/14 of 25 May 1988, the Sub-Commission currently meets on an annual basis at a capital in the region, whenever possible, and at the United Nations Office at Vienna prior to regular or special sessions of the Commission on Narcotic Drugs. Should the Council adopt draft decision II, the schedule of the Sub-Commission would be changed to one annual session for a period of five days in one of the countries of the region. Any resulting savings in travel costs in respect of members of the Sub-Commission who are not members of the Commission on Narcotic Drugs would be reported in the context of the final performance report for the biennium 1992-1993.

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* For the text of the draft decisions, which originally appeared under the symbol E/CN.7/1992/3, see chapter I, draft resolution I, paragraphs 1 and 4. For the discussion, see paragraph 121 above.

a/ United Nations publication, Sales No. E.83.I.10.

b/ *Official Records of the General Assembly, Forty-sixth Session, Supplement No. 6* (A/46/6/Rev.1), vol. I, sect. 22.

Annex II

ATTENDANCE

Members

Australia: Michael Wilson, Antony C. Kingdon, Allan Smith, Judith Wilson, Mark Harrison, Francis G. Egan, Jeff Hart, Jack Vaughn

Bahamas: Darrell E. Rolle, Patricia E.J. Rodgers, Wendy Rolle-MacKinnon, John Cusack

Belgium: Vicomte Georges Vilain XIV, Line Vreven, A. Pauwels, J.L. Couvreur, J. Dewilde, B. Philippart

Bolivia: A. Gastón Ponce Caballero, Jaime Aliaga Machicao, Alvaro Del Pozo Carafa, Mary Carrasco Monje, Roxana Ybarnegaray Ponce

Bulgaria: Alexandrina Nentcheva, Margarita Evtimova, Rossen Popov

Canada: Edward G. Lee, Jacques Lecavalier, Richard Looye, Stephen D. Moran, Gerard E. Vandegraaf, Brian Bell, Mark Taylor, Tamar Oppenheimer

Chile: Belisario Velasco, Hernán Gutiérrez, Michel Diban, Ramiro Riobó, Marcelo Aguirre, Emilio Lamarca

China: Chen Shiqiu, Yuan Yong Yuan, Mao Long Li, Qiwen Du, Shoucheng Yuan, Qianrong Wang, Zhang Hong, Haitao Wu

Colombia: Fernando Carrillo Flórez, Alfonso Gomez Mendez, Gabriel de Vega Pinzon, Guillermo Orjuela Bermeo, María Alexandra Velez-Hanao, Francisco Jose Sintura

Czechoslovakia: Jaroslav Ríha, Jirí Vacek, Jindrich Tisler, Bohumír Marek, Eva Maresová, Mária Chmelová, Jan Prusàk

Ecuador: Jorge Pareja, Ximena Verdesoto

Egypt: Taher A. Khalifa, Mahmoud M. Allam, Taher A. Farahat, Adel Mohammed Nafie, Ibrahim A.A. Mostafa

France: Georgina Dufoix, Marcel Tremeau, Raymond Césaire, Olivier Maitland Pelen, Bernard Petit, Hélène Martini, Bernard Roux, Jean-Bernard Peyrou, Patrick Deumet, Tristan Gervais de Lafond, Claude du Marteray, Alain Couic, Alice Guiton, Nicolas de Rivière, Francois de Grailly, Jean-Michel Manzoni, Eliane Rinaldo, Dominique Gubler

Gabon: Corentin Hervo-Akendengue, Christian Adiahenot

Gambia: M. Cham

Germany: Helmut Butke, Alfred Protz,Ingolf Dietrich, Georg Merten, Hans Peter Schiff, Karl-Heinz Schamberger, Martin Tuffner, Giesberg Graf von Westphalen, C. Lander, Franziska Helm, G.Z. Kehrhahn, Regine Hensel

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Hungary: Vilmos Cserveny, János Nagy, Katalin Szomor Molnár, László Schlág, László Egerer, Eva Rózsa, Barna Mezey, Diana Egyed, Mihály Dihen

India: M.M. Bhatnagar, C. Chakrabarty, Saurabh Kumar, D.R. Pradhan

Indonesia: J.P. Louhanapessy, Ismet Ibrahim, Witjaksana Soegarda, H.M.D. Tanjung, Ali Purwito, Abdullah Nawawi, Ghaffar Fadyl, Arifin Zaini, Zulkarnain Yunus, Leyla A.R. Oesman, J. Da Costa, Yasril A. Bharuddin

Iran (Islamic Republic of): Seyed Mojtaba Arastou, Abolfazl Doost Mohammadian, Mohammad Zaeri, Ali Akbar Khosravi, Esmaeil Afshari, Seyed Ali Zamani, Ghodratollah Assadi

Italy: Giancarlo Ruffino, Corrado Taliani, Vittorio Pennarola, Lorenzo Ferrarin, Marco Sorace Maresca, Alberto Schepisi, Francesco di Maggio, Rosina Salerno, Maria Grazia Siccardo, Giuseppe Altorio, Pietro Soggiu, Claudio Gelati, Giuseppe Merendino, Andrea Torino, Vincenzo Granito, Emanuele Marotta, Roraima Ana Andriani, Aldo Fossati, Davide Calandra, Maryse Nadin, Gioacchino Polimeni, Romano Capasso, Umberto Filibeck, Pietro Pistolese, Emanuela de Jacobis, Guido Berglaso, Valeria Albertella, Raffaele Lombardo

Jamaica: Winston Davidson

Japan: Kunisada Kume, Koichi Kimura, Hiroshi Nagai, Seisaku Taniguchi, Toshihide Yotsumoto, Shin Miyajima, Kunio Nakamura, Satoru Miyata

Libyan Arab Jamahiriya: Abduladem Abdusamea, Fadel A. Ben-Ashur, Masoud Mohamed Ragheai

Malaysia: Khairuddin B. Ibrahim, Tan Koon San, Zainuddin b. Abdul Bahari, R. Kumara Singham, Mohd. Shariff Osman, Husin b. Nayan, Low Yoke Son

Mexico: Eugenio Anguiano, Antonio Villegas, Guido Belsasso, Cibeles Marín-Millan, Jorge Duhalt, Orpha R. Garrido, Eduardo Avila Pastrana, Julián Ventura Valero, Juan Sandoval Mendiolea, Eduardo García Anguiano, Candelaria Martínez Corona

Morocco: Mohamed El Habib Fassi Fihri, Mehdi Paes, Ali El Mouhtadi, Saâd Zniber, Ahmed El Ghernougui, Noureddine Tahiri

Netherlands: R.J. Samsom, E.L. Engelsman, Enrik C.H.A. Plug, L. Horstink von Meijenfeldt, J.S. Kramer, K. van der Tempel

Nicaragua: Humberto Carrión, Suyapa I. Padilla Tercero

Nigeria: F. Kwajafa, S.A. Adekanye, G.A. Adeogba, A.O. Bashua, M. C. Azuike, B.A. Nurudeen, S.N.C. Harriz-Eze

Norway: Tove Veleröd, Torbjörn Mork, Ketil G. Bentzen, Alf M. Bergesen, Kjell Seeberg, Jon Kapelrud, Arvid Libak

Pakistan: Rana Chander Singh, Ahmad Malik Nazeer, Farman Ullah Yousafzai

Peru: José Urrutia, Alberto Salas Barahona, Paul Paredes, Aelín Pérez de Zapata

Philippines: Nelson D. Laviña, Manuel M. Supnet, Eloy R. Bello III, Linglingay F. Lacanlale, Noel M. Servigon, Faith P. Bautista

Poland: Janina Manko, Witold Wieniawski, Ireneusz Matela

Republic of Korea: See Young Lee, Kang-Choo Lee, Chang Jong Yoo, Eui-Ki Kim, Kwan Sung Kim

Russian Federation: Edouard Babayan, Mikhail P.Beliakov, Mikhail Vanin, Alexandre Sergeev, Leonid Kozlov, Boris Avramenko, Alex Chtcherbakov

Senegal: Moussa Toure, Mamadou Lamine Fofana, Thierno Gningue

Spain: Miguel Solans, Fernando Arias-Salgado, Antonio Falcón, Carlos Sáenz de Tejada, Mónica Suárez, José María Lombardo Vázquez, Francisco Pérez, Luis Domínguez Arques, Antonio Yébenes

Sweden: Jakob Lindberg, Jan Oelander, Dag Victor, Anna-Karin Holm, Veronica Wand-Danielsson, Ylva Flennegard-Hansen, Christina Gynna Oguz, Annika Mansnerus, Roland Johansson, Conny Eklund

Switzerland: Jean-Pierre Vettovaglia, Paul J. Dietschy, Rudolf Wyss, Raymund Kunz, David Vogelsanger

Syrian Arab Republic: Ali Darbouli

Thailand: Chavalit Yodmani, Siree Bunnag, Viroj Sumyai, Werayut Yoothongkam

Tunisia: Habib Ammar, Mustapha M'Timet, Ridha Hamada, Nadra Drij, Khemais Abdelghaffar, Naziha Cheikh

Turkey: Ayhan Kamel, Balkan Kizildeli, Sule Soysal, Nevzat Arseven, Kemalettin Akalin, Attila Uzer, Bedrettin Tokdemir, Bülent Irdelmen, Bayazit Balci, Filiz Elgezdi, Sevki Dincal, Ilyas Tunc

United Kingdom of Great Britain and Northern Ireland: L.P. Wright, G.E. Clark, L.D. Hay, D. Gonsalves, P. Thomson, Martin, A.E. Orr, J. Oxenford, J. Oliver, S. Wesley, B. Taylor, K.J. Woodhouse, P.M. Tissot, M. McIntosh, A. Hennessy

United States of America: Melvyn Levitsky, Jane E. Becker, John A. Buche, Ann S. Blackwood, Arthur A. Houghton, Craig L.M. Kuehl, David Lyon, Matthev Maher, Robert Mall, Frederick Rosa, Frank Sapienza, Gregory B. Sprow, Mary Lee Warren, Kathleen Wilkinson, George B. Rakowsky, Ivan E. Taborsky

Uruguay: Augusto Durán Martínez, José D. Lissidini, Carlos Bentancour, Gabriela Ricaldoni

Venezuela: Enrique Rivas Gómez, Elba Torres Graterol, Santiago Ochoa Antich, Félix Delgado, Maritza Parra, Claudio Tosta, Jacqueline Petersen Parra

Yugoslavia: Milan Skrlj, Jelisaveta Djurickovic-Tuvic, Drakie Dimitrijevic

States Members of the United Nations represented by observers

Afghanistan, Algeria, Argentina, Austria, Belarus, Brazil, Burundi, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Denmark, Djibouti, Finland, Greece, Guinea, Iraq, Ireland, Israel, Jordan, Kuwait, Lebanon, Luxembourg, Malawi, Maldives, Malta, Mauritius, Myanmar, Oman, Panama, Papua New Guinea, Paraguay, Portugal, Qatar, Romania, Saudi Arabia, South Africa, Sri Lanka, Sudan, Togo, Ukraine, United Arab Emirates, Viet Nam, Yemen, Zaire, Zambia, Zimbabwe

States not Members of the United Nations represented by observers

Holy See, Monaco

United Nations Secretariat

Centre for Social Development and Humanitarian Affairs, United Nations International Drug Control Programme

United Nations bodies

International Narcotics Control Board, United Nations Interregional Crime and Justice Research Institute

Specialized Agencies

International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, Universal Postal Union, International Fund for Agriculture Development

Intergovernmental organizations represented by observers

Arab Security Studies and Training Centre, Colombo Plan Bureau, Commission of the European Communities, Commonwealth Secretariat, Council of Arab Ministers of the Interior, Council of Europe, Customs Cooperation Council, International Criminal Police Organization, League of Arab States, Organization of American States, Permanent Secretariat of the South American Agreement on Narcotic Drugs and Psychotropic Substances

Non-governmental organizations

Category I: International Council of Women, Soroptimist International, World Assembly of Youth, World Federation of United Nations Associations, Zonta International

Category II: Bahá'i International Community, Caritas Internationalis (International Confederation of Catholic Charities), International Abolitionist Federation, International Association of Judges, International Association of Penal Law, International Council on Alcohol and Addictions, International Society of Social Defence, Italian Centre of Solidarity, Lions International - The International Association of Lions Clubs, Medical Women's International Association, Pax Romana (International Catholic Movement for Intellectual and Cultural Affairs) (International Movement of Catholic Students), World Leisure and Recreation Association, World Union of Catholic Women's Organizations

Roster: International Federation of Pharmaceutical Manufacturers' Associations, International Pharmaceutical Federation

Annex III

LIST OF DOCUMENTS BEFORE THE COMMISSION AT ITS THIRTY-FIFTH SESSION

Document symbol	Title or description	Agenda item
E/CN.7/1992/1	Provisional agenda	2
E/CN.7/1992/1/Add.1/ Rev.1	Annotations to the provisional agenda	2
E/CN.7/1992/2	Report of the International Narcotics Control Board on the implementation of article 12 of the 1988 Convention: assessment by the Board of substances for possible inclusion in the Tables of the 1988 Convention	4
E/CN.7/1992/3	Reports of subsidiary bodies	3 (b)
E/CN.7/1992/3/Add.1	Draft agenda of the ministerial-level meeting of the Sub-Commission on Illicit Traffic and Related Matters in the Near and Middle East: note by the Secretariat	3 (b)
E/CN.7/1992/4	Implementation of Commission on Narcotic Drugs resolution 1 (XXXIV): report by the Secretariat	5 (a)
E/CN.7/1992/5	Consideration of a notification recommending the inclusion of 10 substances under article 12 of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988	4 (a)
E/CN.7/1992/6	Note by the Secretariat on the Global Programme of Action and the United Nations System-Wide Action Plan on Drug Abuse Control	3 (b)
E/CN.7/1992/7	Report of the Executive Director on the United Nations International Drug Control Programme	3 (a)
E/CN.7/1992/7/Add.1	A strategy for the United Nations International Drug Control Programme: note by the Executive Director	3 (a)

E/CN.7/1992/8	Drug abuse: extent, patterns and trends: report of the Secretariat	3 (b)
E/CN.7/1992/9	Implementation of targets 1-7 and 29-35 of the Comprehensive Multi-disciplinary Outline of Future Activities in Drug Abuse Control: report of the Secretariat	3 (b)
E/CN.7/1992/10 and Corr.1	Five-year plan to implement the Global Programme of Action adopted at the seventeenth special session of the General Assembly: report of the Executive Director	5 (b)
E/CN.7/1992/11	Economic and social consequences of illicit trafficking in narcotic drugs and psychotropic substances: note by the Executive Director	7
E/CN.7/1992/12	Note by the Secretariat on the fulfilment of the new mandates of the Commission on Narcotic Drugs and provisional agenda for the thirty-sixth session of the Commission	6
E/CN.7/1992/12/Add.1 and Corr.1	Proposed budget estimates of the Fund for the biennium 1992-1993: report of the Executive Director	6
E/CN.7/1992/12/Add.2/ Rev.1	Revision of the medium-term plan for the period 1992-1997: note by the Secretariat	6
E/CN.7/1992/12/Add.3	Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed administrative and programme support costs of the United Nations International Drug Control Programme	6
E/CN.7/1992/13 and Corr.1	Letter dated 23 March 1992 to the Executive Director of the United Nations International Drug Control Programme from the Ambassadors of Bolivia, Colombia, Ecuador, Mexico, Peru, United States of America and Venezuela, transmitting the text of the San Antonio Declaration	3
E/CN.7/1992/CRP.1/ Rev.1	Provisional timetable	2
E/CN.7/1992/CRP.2	Provisional list of documents	2
E/CN.7/1992/CRP.3	Report of the Fourth Meeting of Heads of National Drug Law Enforcement Agencies, Africa, held at Nairobi from 15 to 19 April 1991	3 and 5

E/CN.7/1992/CRP.4	Report of the Fourth Meeting of Heads of National Drug Law Enforcement Agencies, Latin America and the Caribbean, held at Santa Cruz de la Sierra, Bolivia, from 8 to 12 October 1991	3 and 5
E/CN.7/1992/CRP.5	Report of the Sixteenth Meeting of Heads of National Drug Law Enforcement Agencies, Asia and the Pacific, held at Canberra from 28 October to 1 November 1991	3 and 5
E/CN.7/1992/CRP.6	Report of the Sub-Commission on Illicit Drug Traffic and Related Matters in the Near and Middle East on its twenty-eighth session, held at Teheran from 25 to 29 November 1991	3 and 5
E/CN.7/1992/CRP.7	Note by the Secretariat on other urgent action required under the international drug control treaties	4 (c)
E/CN.7/1992/CRP.8	Report on the meeting of the Expert Group on Clandestine Laboratory Investigation, held at Seoul from 2 to 6 December 1991	7
E/CN.7/1992/CRP.9	Data on the illicit traffic in narcotic drugs and psychotropic substances for 1988-1990: note by the Secretary-General	3 (b)
E/CN.7/1992/CRP.10 and Corr.1	Financial data on operational activities in 1991: report of the Executive Director	6
E/CN.7/1992/CRP.11 and Add.1	Reports by intergovernmental organizations	3 (b)
E/CN.7/1992/CRP.12 and Add.1	Reports by non-governmental organizations in consultative status with the Economic and Social Council	3 (b)
E/CN.7/1992/CRP.13	Comprehensive review of the operational activities of the United Nations International Drug Control Programme in 1991	3 (a)
E/CN.7/1992/CRP.14	Proposed budget estimates for the biennium 1992-1993	6
E/CN.7/1992/L.1 and Add.1-18	Draft report of the Commission on its thirty-fifth session	8

E/CN.7/1992/L.2/Rev.1	Measures to prevent diversion of precursor and essential chemicals to the illicit manufacture of narcotic drugs and psychotropic substances: revised draft resolution submitted by Bahamas, Belgium, Bolivia, Bulgaria, Colombia, Denmark, France, Germany, Greece, Hungary, Ireland, Italy, Norway, Papua New Guinea, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Venezuela and Yugoslavia	4 (a)
E/CN.7/1992/L.3	Implementation of the articles of the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 relating to illicit traffic by sea: draft resolution submitted by Bahamas, Czechoslovakia, Italy, Russian Federation, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay and Venezuela	4 (c)
E/CN.7/1992/L.4	Review of the functioning of the Commission on Narcotic Drugs: draft resolution submitted by Finland, India, Malaysia, Netherlands, Norway and Sweden	5 (b)
E/CN.7/1992/L.5	Demand for and supply of opiates for medical and scientific needs: draft resolution submitted by Bahamas, India Russian Federation, Sri Lanka and Turkey	4 (b)
E/CN.7/1992/L.6	United Nations Decade against Drug Abuse: draft resolution submitted by Canada, Colombia, Jamaica, Nigeria, Republic of Korea, Senegal, Venezuela, Yugoslavia, Zaire and Zambia	5 (a)
E/CN.7/1992/L.7/Rev.1	Monitoring of activities of the United Nations International Drug Control Programme and policy guidance: revised draft resolution submitted by Australia, Belgium, Czechoslovakia, Denmark, France, Greece, Hungary, Netherlands, Poland, Spain, Turkey, United Kingdom of Great Britain and Northern Ireland and Venezuela	6
E/CN.7/1992/L.8	Declaration of San Antonio: draft resolution submitted by Bolivia, Colombia, Ecuador, Mexico, Peru, United States of America and Venezuela	3 (b)

E/CN.7/1992/L.9	Measures to control and reduce illicit drug trafficking: statement submitted by the Secretary-General in accordance with rule 28 of the rules of procedure of the functional commissions of the Economic and Social Council	3(b)
E/CN.7/1992/L.10	Control of proceeds from illicit traffic in narcotic drugs: draft resolution submitted by Colombia, France, Germany, Greece, Italy, Switzerland and United Kingdom of Great Britain and Northern Ireland	3 (b)
E/CN.7/1992/L.11	Cooperation between the Commission on Narcotic Drugs and the Commission on Crime Prevention and Criminal Justice: draft resolution submitted by Austria, Finland, Greece, Italy, Portugal and Sweden	5 (a)
E/CN.7/1992/L.12/Rev.1	Operational activities of the United Nations International Drug Control Programme: revised draft resolution submitted by Australia, Belgium, Ecuador, France, Netherlands, Spain	5 (b)
E/CN.7/1992/L.13	Methodology to be followed by the United Nations International Drug Control Programme with reference to the approval by the Commission on Narcotic Drugs of the proposed budget estimates of the Fund: draft resolution submitted by the Chairman	5 (b)
E/CN.7/1992/L.14	Improvement of the functioning of the subsidiary bodies of the Commission on Narcotic Drugs: draft resolution submitted by Australia, Colombia, Czechoslovakia and Nigeria	5 (b)
E/CN.7/1992/L.15	The initiative "debt for alternative development": draft resolution submitted by Bolivia, Colombia, Egypt, Nigeria (on behalf of States members of the Commission which were members of the Group of 77) and Peru	3
E/CN.7/1992/L.16	Illicit drug cultivation and manufacture: a threat to the ecosystem: draft resolution submitted by Bolivia, Colombia, Czechoslovakia, Ecuador, Mexico, Peru and Venezuela	3 (b)
E/CN.7/1992/L.17/Rev.1	Proposed measures concerning legal cooperation and legal assistance: revised draft resolution submitted by Bolivia, Chile, Colombia, Ecuador, Mexico, Norway, Peru, Uruguay and Venezuela	3 (b)

E/CN.7/1992/L.18/Rev.1	Control of illicit drug supply: revised draft resolution submitted by France, Germany, Greece and Italy	3 (b)
E/CN.7/1992/L.19	Amendments submitted by Bahamas, United Kingdom of Great Britain and Northern Ireland, United States of America and Venezuela to the draft resolution contained in document E/CN.7/1992/L.3	4 (c)
E/CN.7/1992/L.20	Approval of the budget estimates of the programme of the Fund of the United Nations International Drug Control Programme and of the administrative and programme support costs budget of the Fund for the biennium 1992-1993: draft resolution submitted by the Chairman	6
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A/46/511	International action to combat drug abuse and illicit trafficking: report of the Secretary-General
A/C.5/46/23	Administrative and financial arrangements regarding the United Nations International Drug Control Programme: report of the Secretary-General
E/1990/39 and Corr.1 and 2 and Add.1	United Nations System-Wide Action Plan on Drug Abuse Control: report of the Secretary-General

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COMMISSION ON TRANSNATIONAL CORPORATIONS

REPORT ON THE EIGHTEENTH SESSION

(23-25 January and 8-16 April 1992)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS, 1992

SUPPLEMENT No. 6

UNITED NATIONS

E/1992/26/Rev.1

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Part One

REPORT OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS ON THE FIRST PART OF ITS EIGHTEETH SESSION*

Held at United Nations Headquarters
from 23 to 25 January 1992

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* Originally issued in mimeographed form on 12 February 1992 under the symbol E/1992/26.

Chapter I

RESOLUTION ADOPTED BY THE COMMISSION

1992/1. Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development*

The Commission on Transnational Corporations,

Recalling Economic and Social Council resolution 1991/55 of 26 July 1991,

Noting that, after the adoption of Economic and Social Council resolution 1991/55, the Preparatory Committee for the United Nations Conference on Environment and Development had requested that development considerations, including those relating to large industrial enterprises, including transnational corporations and business practices, and the environment, be integrated into all Agenda 21 programme documents, where appropriate,

Taking note of the report of the Secretary-General concerning transnational corporations and sustainable development, 1/ and expressing its appreciation for his efforts,

Recalling the conclusions and recommendations of the United Nations Industrial Development Organization Conference on Ecologically Sustainable Industrial Development, held at Copenhagen from 14 to 18 October 1991, 2/

Taking note of the elaboration by the International Chamber of Commerce of the Business Charter for Sustainable Development,

Requests the Chairman of the Commission on Transnational Corporations at its eighteenth session to transmit the report of the Secretary-General concerning transnational corporations and sustainable development, 1/ and the report on the first part of the eighteenth session, containing the views expressed by member and observer States and the proposals made, 3/ to the Chairman of the Preparatory Committee for the United Nations Conference on Environment and Development for consideraton under Agenda 21 at the fourth session of the Preparatory Committee.

---

* For the discussion, see chap. II below.

1/ E/C.10/1992/2.

2/ See GC.4/25/Add.1.

3/ See chap. II below.

Chapter II

RECOMMENDATIONS OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS TO THE PREPARATORY COMMITTEE FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

1. The Commission considered agenda item 3 at its 1st and 2nd meetings, on 23 and 25 January 1992. It had before it the report of the Secretary-General entitled "Transnational corporations and sustainable development: recommendations of the Executive Director" (E/C.10/1992/2).

2. In introducing the item, the Chairman of the Commission noted that to help set the agenda for environment and development into the next century was the opportunity of a lifetime for the Commission.

3. The Executive Director of the United Nations Centre on Transnational Corporations recalled Economic and Social Council resolution 1991/55, in which the Council had requested him to prepare, after extensive consultations with all the relevant parties, action-oriented and practicable recommendations on cooperation for protection and enhancement of the environment in all countries. Those recommendations would form the basis of the contribution of the Commission on Transnational Corporations to the preparations for the United Nations Conference on Environment and Development, to be held in Brazil in June 1992.

4. The Executive Director noted that international business and Governments should know what was expected of one another. It was not a choice between command and control mechanisms and market forces but - as the real world required - a mixture of the two. The recommendations indicated the expectations for international business, Governments and international organizations. In recent years industry had made great strides in self-regulation; however, no State member of the Commission had developed an effective environment policy without an environmental protection law. It was in that context that market-based incentives would be effective. In the benchmark survey, transnational corporations had reported that the main impetus for a global corporate environment policy was the law in their home countries and that international corporations wanted the international community to establish clear guidelines and standards. The Centre had conducted an open process of consultation with international business organizations (such as the International Chamber of Commerce and the Business Council on Sustainable Development), transnational corporations, non-governmental organizations, church groups, academics and other experts. Governments had assisted by providing expert advisers. More than 250 written responses had been received. The entire process had been possible owing to, among other things, support from the Governments of Norway and the Netherlands. In following the design that the Preparatory Committee had laid out for Agenda 21, the recommendations formed a comprehensive work plan for the future. Like a medium-term plan, they included objectives, goals, outputs and schedules. In preparing the recommendations, the Centre had consolidated,

in one statement, principles on transnational corporations and environmental protection from other forums, such as the International Labour Organisation and the Organisation for Economic Cooperation and Development. It expressed general principles that had been articulated by international business through industrial associations but had not yet been adopted by intergovernmental bodies. It built upon the policies and practices of current leading environmentally sound management.

5. Many delegations expressed their satisfaction with the Centre's well researched and well documented work, undertaken in the preparation of the recommendations. Some delegations noted that the recommendations should have been less specific. Many delegations considered that the important issues relating to the environment and business practices should be discussed by the Preparatory Committee at its fourth session and by the Conference. There was general support for the notion that the Centre's work in the area should be geared to large enterprises, including transnational corporations, and to business practices and the environment.

6. One representative, speaking on behalf of a group of countries, said that the members of the group were particularly satisfied with the detail and breadth of the recommendations. He noted that the document would rectify the lack of references to business practices and the environment in the current draft of Agenda 21. Since there was not enough time during the session to discuss the recommendations of the Executive Director in detail, the group wished the recommendations to be submitted in their entirety to the Preparatory Committee at its fourth session so that they could be fully discussed and negotiated in that forum.

7. One delegation, speaking on behalf of another group of countries, stressed the need to address all business enterprises rather than focus on transnational corporations, and noted that large business enterprises, especially transnational corporations, were already making a contribution to environmental protection. Other delegations agreed with that idea. In general, the recommendations appeared too regulatory. The group was of the opinion that the Preparatory Committee should take into account the guidance proposed by the Commission and other relevant work on business practices and the environment, such as the Business Charter for Sustainable Development and the report of the Conference on Ecologically Sustainable Industrial Development (GC.4/25/Add.1), submitted by the Director-General of the United Nations Industrial Development Organization (UNIDO) to the General Conference of UNIDO in November 1991.

8. Some delegations were particularly concerned that the recommendations were too regulatory in nature and did not give enough attention to market mechanisms. Those delegations indicated that the recommendations gave rise to fundamental objections and were not acceptable to their Governments. They also noted that, since there were many industries other than transnational corporations that seriously polluted the environment, singling out transnational corporations was not only incorrect, but unproductive, leaving

most of the serious issues unaddressed. Moreover, one delegation noted that transnational corporations and home countries could not be responsible for the lack of regulation in host countries.

9. Other delegations stressed the usefulness of the report in preparing Agenda 21, since little attention had been given thus far to the issues addressed by the recommendations. Those delegations appreciated the fact that the report reflected a way of thinking and a way of operating which already characterized the activities of corporations displaying a particular sense of responsibility in those matters. Those delegations also trusted that the report would be forwarded in its entirety to the Preparatory Committee. Many of the recommendations could be usefully considered by the Committee when it dealt with the question of the transfer of environmentally sound technologies. Other recommendations could either be fitted in or merged to form their own section. Those delegations appreciated the attention given to targets and costs.

10. Another delegation noted that the recommendations rightly recognized the effective contributions that corporations had already made and supported the idea that some independent and cooperative medium might be created whose responsibility would be shared by Governments and enterprises to deal with business and sustainable development. Finally, the representative of a non-governmental organization said that, although the business community had participated in the development of the recommendations of the Executive Director, there were several areas about which it had major concerns regarding the proposals.

Action taken by the Commission

Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development

11. At the 1st meeting, on 23 January, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced a draft resolution (E/C.10/1992/L.1) entitled "Transnational corporations and the environment", which read as follows:

> "*The Commission on Transnational Corporations*,
>
> "*Recalling* Economic and Social Council resolution 1991/55 of 26 July 1991,
>
> "*Taking note with appreciation* of the report of the Secretary-General concerning transnational corporations and sustainable development (E/C.10/1992/2),

"Requests the Chairman of the Commission on Transnational Corporations at its eighteenth session to transmit the recommendations of the Executive Director contained in the report of the Secretary-General in their entirety to the Chairman of the Preparatory Committee for the United Nations Conference on Environment and Development for detailed consideration and negotiation by the Preparatory Committee for the Conference, at its fourth session, under Agenda 21."

12. Also at the 1st meeting, the representative of Portugal, 4/ on behalf of the States Members of the United Nations that are members of the European Economic Community, introduced a draft resolution (E/C.10/1992/L.2) entitled "Business and environment", which read as follows:

"The Commission on Transnational Corporations,

"Noting that, following the adoption of Economic and Social Council resolution 1991/55 of 26 July 1991, the Preparatory Committee of the United Nations Conference on Environment and Development requested that development considerations, including those relating to large industrial enterprises and business plans and the environment, be integrated in all Agenda 21 programme documents,

"1. Welcomes the conclusions and recommendations of the Conference on Ecologically Sustainable Industrial Development, which was organized by the United Nations Industrial Development Organization and held at Copenhagen from 14 to 18 October 1991;

"2. Takes note with interest of the report of the Secretary-General concerning transnational corporations and sustainable development (E/C.10/1992/2);

"3. Recognizes the need to facilitate the creation and operation of sustainably managed businesses, through the adoption of appropriate market-based policies, and stresses the importance of effective environmental management by all businesses, including transnational corporations;

"4. Invites the Preparatory Committee of the United Nations Conference on Environment and Development, at its fourth session, to take account in its preparations for the Conference of the role of business in promoting sustainable development and, in particular, the need for business to work towards:

"(a) Developing appropriate corporate policies further to promote a shift towards sustainable development;

4/ In accordance with rule 72 of the rules of procedure of the Economic and Social Council.

"(b) Establishing or strengthening corporate and environmental management systems, including environmental compliance auditing, and organizational structures to monitor the adjustment to sustainably managed corporations;

"(c) Conducting environmental practices on a consistently high basis in all global operations and integrating, where appropriate, those practices with the sustainable development needs of host countries;

"(d) Reducing emissions and waste at the source through input and process changes rather than relying on end-of-pipe treatment by using cleaner industrial production processes and improving energy efficiency;

"(e) Assuming a cradle-to-grave assessment approach to industrial products and projects;

"(f) Promoting research and development activities relating to cleaner production technologies, giving priority to technologies that offer potential for improved efficiency and reduced pollution and the provision of training facilities for developing countries for this purpose;

"(g) Contributing to the transfer of environmentally sound technology and management methods through the industrial and public sectors;

"(h) Considering, where feasible, the use of environmentally sound substitute materials, renewable sources of energy and raw materials and recycling;

"(i) Minimizing the use and export of highly hazardous processes, products, wastes and services by enterprises and, where appropriate, developing and maintaining emergency preparedness plans;

"(j) Developing and redesigning products and services, taking account of the shift towards a sustainable lifestyle;

"(k) Providing information on the possible environmental effects of products;

"(l) Fully complying with national and regional environmental laws, intergovernmental environmental guidelines and instruments and industry trade association standards and cooperating with Governments and relevant international organizations in their further development;

"(m) Including environmental considerations in corporate accounting and reporting to help relate the environmental activities of enterprises to their financial position and performance;

"(n) Incorporating environmental costs into the production of goods and services to send the right signals to producers and consumers;

"5. Recommends that Member States develop their dialogue with business on environmental issues so as to promote positive contributions by business towards the solution of environmental problems;

"6. Also recommends that Member States seek to establish a stable and transparent legal framework for environmental standards, thus enabling businesses to conform more efficiently to those standards and to plan ahead."

13. At the 2nd meeting, on 25 January, the Chairman introduced a draft resolution (E/C.10/1992/L.4) entitled "Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development", which was submitted on the basis of informal consultations.

14. The representative of Tunisia made a statement.

15. At the same meeting, the Commission adopted draft resolution E/C.10/1992/L.4 (see chap. I, resolution 1992/1).

16. After the draft resolution was adopted, statements were made by the representatives of Japan, Tunisia and Pakistan (on behalf of the States Members of the United Nations that are members of the Group of 77), and the observer for Portugal (on behalf of the States Members of the United Nations that are members of the European Economic Community).

17. In the light of the adoption of draft resolution E/C.10/1992/L.4, draft resolutions E/C.10/1992/L.1 and E/C.10/1992/L.2 were withdrawn.

18. One representative, while expressing disappointment that, at the conclusion of the session, there was no substantial contribution to the fourth session of the Preparatory Committee of the United Nations Conference on Environment and Development, noted that, in the view of his delegation, the recommendations of the Executive Director would serve simply as reference material at that session.

19. One delegation, speaking on behalf of a group of countries, reiterated the position of the group that the recommendations of the Executive Director, contained in the report of the Secretary-General should be considered in detail and action taken thereon by the Preparatory Committee at its fourth session.

20. One representative stated that, since the fourth session of the Preparatory Committee was a negotiating session, the word "consideration", in the understanding of his delegation, should be "negotiation".

21. One delegation, speaking on behalf of a group of countries, stated that the understanding of that group was that the negotiations to be held at the fourth session of the Preparatory Committee would be based only on the proposals made by States participating in the work of the Committee. Documents other than the proposals of States would not constitute a basis for the negotiations.

22. In the view of one delegation, that did not imply that the documentation of the secretariat of the United Nations Conference on Environment and Development would not be a basis for negotiation.

23. Another delegation responded that there was general agreement in the Preparatory Committee that Agenda 21 should be the result of a negotiating process and that, therefore, the documentation to be prepared by the secretariat of the United Nations Conference on Environment and Development was basically background material, except where the Preparatory Committee specifically requested the secretariat to prepare a compilation of the views expressed by Governments through the Chairmen of the Working Groups.

24. The Chairman stated that it was his understanding that the United Nations Centre on Transnational Corporations would remain seized of the ongoing work on transnational corporations and sustainable development and would have an opportunity to discuss that subject at the second part of its eighteenth session.

Chapter III

ADOPTION OF THE REPORT OF THE COMMISSION ON THE FIRST PART OF ITS EIGHTEENTH SESSION

25. At the 2nd meeting, on 25 January, the Commission adopted the draft report on the first part of its eighteenth session (E/C.10/1992/L.3 and Add.1), as orally amended and revised by the Rapporteur.

Chapter IV

ORGANIZATION OF THE SESSION

A. Opening and duration of the session

26. The Commission on Transnational Corporations held the first part of its eighteenth session at United Nations Headquarters from 23 to 25 January 1992. The Commission held two meetings (1st and 2nd).

27. The session was opened by the Vice-Chairman of the seventeenth session, Mr. Jose Lino B. Guerrero (Philippines).

B. Attendance

28. The following States members of the Commission attended the session: Argentina, Bangladesh, Belgium, Bulgaria, Burundi, Chile, China, Colombia, Congo, Costa Rica, Czechoslovakia, Egypt, France, Germany, Ghana, Guatemala, India, Indonesia, Iran (Islamic Republic of), Iraq, Italy, Jamaica, Japan, Kenya, Mexico, Netherlands, Pakistan, Philippines, Poland, Republic of Korea, Romania, Russian Federation, Sierra Leone, Swaziland, Sweden, Switzerland, Thailand, Tunisia, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Zambia and Zimbabwe.

29. The following States Members of the United Nations were represented as observers: Algeria, Australia, Brazil, Cameroon, Cuba, Finland, Greece, Guinea, Malaysia, Norway and Turkey.

30. The following specialized agency was represented: International Labour Organisation.

31. The following non-governmental organizations in consultative status with the Economic and Social Council, category I, were represented: International Chamber of Commerce and International Organisation of Employers.

C. Election of officers

32. At its 1st and 2nd meetings, on 23 and 25 January 1992, the Commission elected the following officers by acclamation:

Chairman: Farooq Sobhan (Bangladesh)

Vice-Chairmen: Albert Mudenda Muchanga (Zambia)
Herbert Samuel Walker (Jamaica)

Rapporteur: Wojciech Ponikiewski (Poland)

33. At the 2nd meeting, the Committee agreed to postpone the election of the remaining Vice-Chairman to the second part of its eighteenth session.

D. Agenda and organization of work

34. At the 1st meeting, on 23 January, following a discussion in the Commission, the Chairman proposed that item 3 entitled "Transnational corporations and the environment" be amended to read "Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development".

35. At the same meeting, the Commission adopted the provisional agenda contained in document E/C.10/1992/1 and Corr.1, as amended (see annex I).

36. The representative of Tunisia stated that it was his understanding that item 3, as amended, applied to the first part of the eighteenth session; for the second part of the session, the provisional agenda as approved by the Economic and Social Council in its decision 1991/285 would apply.*

E. Documentation

37. The documents before the Commission at the first part of its eighteenth session are listed in annex II.

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* See part two, annex I.

Annex I

AGENDA OF THE FIRST PART OF THE EIGHTEENTH SESSION

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development.

4. Adoption of the report of the Commission on the first part of its eighteenth session.

Annex II

DOCUMENTS BEFORE THE COMMISSION AT THE FIRST PART OF ITS EIGHTEENTH SESSION

Document symbol	Agenda item	Title or description
E/C.10/1992/1 and Corr.1	2	Provisional agenda
E/C.10/1992/2	3	Transnational corporations and sustainable development: recommendations of the Executive Director: report of the Secretary-General
E/C.10/1992/L.1	3	Transnational corporations and the environment: draft resolution submitted by Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77
E/C.10/1992/L.2	3	Business and environment: draft resolution submitted by Portugal, on behalf of the States Members of the United Nations that are members of the European Economic Community
E/C.10/1992/L.3 and Add.1	4	Draft report
E/C.10/1992/L.4	3	Recommendations of the Commission on Transnational Corporations to the Preparatory Committee for the United Nations Conference on Environment and Development: draft resolution submitted by the Chairman of the Commission on the basis of informal consultations

Part Two

REPORT OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS ON THE SECOND PART OF ITS EIGHTEETH SESSION*

Held at United Nations Headquarters
from 8 to 16 April 1992

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* Originally issued in mimeographed form on 28 May 1992 under the symbol E/1992/26/Add.1.

Chapter I

MATTERS CALLING FOR ACTION BY THE ECONOMIC AND SOCIAL COUNCIL OR BROUGHT TO ITS ATTENTION

A. Draft resolutions

1. The Commission on Transnational Corporations recommends to the Economic and Social Council the adoption of the following draft resolutions:

DRAFT RESOLUTION I

Activities of transnational corporations in South Africa*

The Economic and Social Council,

Recalling its resolution 1991/54 of 26 July 1991,

Taking note with appreciation of the report of the Secretary-General on the role of transnational corporations in South Africa, 1/

Recalling the Declaration on Apartheid and its Destructive Consequences in Southern Africa, adopted by the General Assembly at its sixteenth special session, 2/ which contains guidelines on how to end apartheid through genuine negotiations,

Welcoming the recent developments in South Africa, including the repeal or amendment of the major apartheid laws, the formation of the Patriotic/United Front, the ongoing process of negotiations, *inter alia*, under the auspices of the Convention for a Democratic South Africa, and the outcome of the whites-only referendum of 17 March 1992,

Gravely concerned about the escalation of politically inspired violence in South Africa despite the signing of the National Peace Accord on 14 September 1991,

Reiterating the urgent need for the removal of the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations,

Mindful of its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 44/244 of 17 September 1990, 45/176 A of 19 December 1990 and 46/79 A of 13 December 1991,

---

* For the discussion, see chap. III below.

1/ E/C.10/1992/6 and Corr.1.

2/ General Assembly resolution S-16/1, annex.

1. Welcomes the recent positive political developments in South Africa, which enhance the possibilities for the total eradication of apartheid in South Africa;

2. Reaffirms that Governments, entrepreneurs and enterprises, including transnational corporations, have contributed to the demise of the apartheid system, and invites them to give their full and concerted support to this end, as well as to take appropriate measures regarding the vulnerable and critical process now under way in South Africa, with the aim of achieving the total eradication of the apartheid system and the establishment of a united non-racial and democratic South Africa;

3. Requests the Secretary-General:

(a) In close cooperation with the relevant organs of the United Nations, to continue the work of collecting and disseminating information on the activities of transnational corporations in South Africa, including the list of transnational corporations conducting operations there;

(b) To continue preparing studies on the level, form and responsibilites of operation of transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy;

(c) To continue examining possible contributions of transnational corporations to the construction of a united and non-racial democratic South Africa in the economic and social fields, taking into account the special need for development in the areas of human resources, particularly the training of black South African entrepreneurs, employment, housing and health;

(d) To report to the Commission on Transnational Corporations at its nineteenth session, the Economic and Social Council and the General Assembly on the implementation of the present resolution.

DRAFT RESOLUTION II

Activities of the former United Nations Centre on Transnational Corporations and of its successor, the Transnational Corporations and Management Division*

The Economic and Social Council

1. Takes note of the reports of the Secretary-General on trends in foreign direct investment, transnational corporations and economic growth through technology, transnational corporations in the new world economy: issues and policy implications, the international framework for transnational corporations and the activities of the former United Nations Centre on Transnational Corporations and its joint units;

---

* For the discussion, see chap. V below.

2. _Reaffirms_ that the Commission on Transnational Corporations and the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat are focal points within the United Nations system for matters concerning foreign direct investment as it relates to transnational corporations and that the mandate of the former United Nations Centre on Transnational Corporations is fully subsumed under this Division;

3. _Emphasizes_ the importance of the research, technical cooperation, advisory services, training programmes and information services provided by the former United Nations Centre on Transnational Corporations to the States Members of the United Nations, and, to this end, affirms the importance of maintaining these activities and programmes as well as improving upon them as appropriate under the new administrative arrangements;

4. _Notes_ the need for the Commission to examine, during its next session, the activities and programme of work of the Division in the field of foreign direct investment as it relates to transnational corporations in order to ensure coordination with, and avoid duplication of, the activities of other United Nations bodies;

5. _Stresses_ the importance of transparency in the area of foreign direct investment, and requests the Division to contribute towards increasing that transparency in the framework of its technical assistance and information activities;

6. _Takes note_ of the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, and reaffirms the importance of its work in contributing towards greater transparency in the activities of transnational corporations;

7. _Requests_ the Division to assist developing countries in the creation of a favourable investment climate and, to that end, in the development of their endogenous capacity conducive to the encouragement of foreign investment;

8. _Also requests_ the Division to continue to include in its technical cooperation activities advice on the interrelationship between foreign direct investment and interregional, regional and subregional economic integration;

9. _Further requests_ the Division to examine ways and means of assisting member States, in particular developing countries, in attracting foreign investment, _inter alia_, through the setting-up of joint ventures and free economic zones;

10. _Calls upon_ the Division to strengthen its work concerning cooperation in and related to the transfer of technology;

11. _Requests_ the Division to strengthen its activities in matters relating to the role of transnational corporations in the development of small- and medium-sized enterprises;

12. _Also requests_ the Division to study the effects of deregulation and privatization policies in developing countries on attracting foreign direct investment flows and, in this context, to make appropriate recommendations thereon;

13. Takes note of the consultations being undertaken by the President of the General Assembly in accordance with General Assembly resolution 45/186 entitled "Code of conduct on transnational corporations";

14. Encourages the Division to strengthen and further develop the functions of the joint units established with the regional commissions, especially by developing programmes that are adapted to the needs of the respective regions;

15. Invites donor countries, particularly developed countries, to provide extra financial support for the research, advisory and information work of the Division so as to further contribute to a better understanding between transnational corporations and developing countries;

16. Requests the Division to pay attention in particular to developing countries, especially least developed countries and other countries in Africa that have faced a drop in foreign direct investment inflows, and to report thereon to the Commission on Transnational Corporations at its nineteenth session;

17. Takes note of the conclusions of the United Nations symposium on globalization and developing countries, held in The Hague on 30 March 1992, and requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development and other organizations, to develop a joint programme on the interrelationship of investment, trade, technology and development, with a view to enhancing the contribution of transnational corporations to the development of developing countries through trade and investment, for consideration by the Commission on Transnational Corporations at its nineteenth session.

DRAFT RESOLUTION III

Privatization and foreign investment in the context of economic restructuring*

The Economic and Social Council,

Recognizing the fact that numerous countries attach growing importance to privatizing of enterprises, administrative deregulation, increased competition, open markets and demonopolization of their economic activities as means to increase economic efficiency, growth and development, in the context of their economic restructuring policies,

Stressing the important role that foreign direct investment can play in the process of privatization in those countries,

Taking note of the difficulties those countries encounter in the process of privatization, administrative deregulation and demonopolization of their economic activities,

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* For the discussion, see chap. V below.

Noting the work the former United Nations Centre on Transnational Corporations has performed so far in analysing new approaches to the process of privatization, administrative deregulation and demonopolization of economic activities,

1. *Requests* the Secretary-General of the United Nations, in coordination with other relevant international organizations, to enhance technical cooperation activities in order to assist all interested countries in attracting foreign investment and transnational corporations so as to contribute to the implementation of privatization programmes, in the context of their economic reforms;

2. *Invites* the Secretary-General to further explore, through case-by-case studies of foreign investment, new approaches to the privatization and deregulation processes and to the demonopolization of economic activities;

3. *Recognizes* the need to diversify sources of funding for research and technical cooperation activities and, to that end, invites voluntary contributions to the Trust Fund of the technical cooperation programme of the former United Nations Centre on Transnational Corporations, and requests the Secretary-General to seek to mobilize resources from various sources, including non-governmental organizations, and to report the results to the Commission at its twentieth session.

B. *Draft decision*

2. The Commission on Transnational Corporations also recommends to the Economic and Social Council the adoption of the following draft decision:

Provisional agenda and documentation for the nineteenth session of the Commission on Transnational Corporations

The Economic and Social Council approves the provisional agenda and documentation for the nineteenth session of the Commission on Transnational Corporations.

PROVISIONAL AGENDA AND DOCUMENTATION FOR THE NINETEENTH SESSION OF THE COMMISSION ON TRANSNATIONAL CORPORATIONS

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

3. General discussion on transnational corporations in the world economy and trends in foreign direct investment to developing countries.

Documentation

Reports of the Secretary-General

4. Role of transnational corporations in newly opened economies.

Documentation

Report of the Secretary-General

5. Transnational corporations in services, including banking.

Documentation

Reports of the Secretary-General

6. International, regional and bilateral arrangements and agreements relating to transnational corporations.

Documentation

Report of the Secretary-General

7. Activities of the Transnational Corporations and Management Division and its joint units.

Documentation

Report of the Secretary-General on the activities of the Transnational Corporations and Management Division

Report of the Secretary-General on experience gained in technical cooperation

Report of the Secretary-General on information activities

Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its eleventh session

Report of the Secretary-General on activities of transnational corporations in South Africa

Report of the Secretary-General on follow-up to the United Nations Conference on Environment and Development as related to transnational corporations

8. Provisional agenda for the twentieth session of the Commission.

9. Adoption of the report of the Commission on its nineteenth session.

C. Matters brought to the attention of the Council

3. The following decision adopted by the Commission is brought to the attention of the Council:

Decision 1992/1. Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its tenth session and provisional agenda and documentation for the eleventh and twelfth sessions of the Group

The Commission on Transnational Corporations decides:

(a) To approve the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its tenth session;

(b) To approve the provisional agenda and documentation for the eleventh and twelfth sessions of the Group, as set out below.

PROVISIONAL AGENDA AND DOCUMENTATION FOR THE ELEVENTH AND TWELFTH SESSIONS OF THE INTERGOVERNMENTAL WORKING GROUP OF EXPERTS ON INTERNATIONAL STANDARDS OF ACCOUNTING AND REPORTING

Eleventh session

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

3. Accounting education and the strengthening of the profession, including:

   (a) Comparative study on curricula for accountants and auditors in Africa, Asia, Europe, Latin America and North America, including pre-qualification and continuing education programmes in public and private institutions and examination and certification programmes;

   (b) Review of training programmes in Africa and Central and Eastern Europe;

   (c) Reports by international and regional organizations;

   (d) Relation between the status of auditors and the level of their education (*vis-à-vis* other professions).

Documentation

Reports of the Secretary-General and international and regional organizations

4. Provisional agenda for the twelfth session of the Group.

5. Adoption of the report of the Group on its eleventh session.

Twelfth session

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

3. Review of important current developments at the global and national levels in the field of accounting and reporting by transnational corporations.

   Documentation

   Reports of the Secretary-General

4. Issues identified at the tenth session for discussion:

   (a) Review of current accounting and reporting problems arising during privatization and their solutions;

   (b) Environmental disclosures: international survey of corporate reporting practices;

   (c) Accounting for financial institutions;

   (d) Accounting for government grants;

   (e) Accounting for leases;

   (f) Accounting for business combinations;

   (g) Accounting for concessions.

   Documentation

   Reports of the Secretary-General

5. Identification of issues of accounting and reporting for discussion on a priority basis during future sessions.

   Documentation

   Reports of the Secretary-General

6. Provisional agenda for the thirteenth and fourteenth sessions of the Group.

7. Adoption of the report of the Group on its twelfth session.

Chapter II

GENERAL DISCUSSION ON TRANSNATIONAL CORPORATIONS IN THE WORLD ECONOMY AND TRENDS IN FOREIGN DIRECT INVESTMENT IN DEVELOPING COUNTRIES

4. The Commission considered item 3 of its agenda at the 3rd to 5th and 11th meetings of the second part of its eighteenth session, on 8, 9 and 16 April 1992. It had before it the report of the Secretary-General on trends in foreign direct investment (E/C.10/1992/3); the report of the Secretary-General on transnational corporations and economic growth through technology (E/C.10/1992/4); and the report of the Secretary-General on transnational corporations in the new world economy: issues and policy implications (E/C.10/1992/5).

5. The Director of the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat, in his opening statement, said that the expansion of transnational corporations in a period of economic weakness in a number of large economies indicated that the investment decisions of these firms were being increasingly guided by long-range strategic considerations. At the same time, the Director stated that the continuing concentration of foreign direct investment in the developed market economies suggested the need for more concerted efforts to encourage investments in developing countries. In introducing the reports on this agenda item, the Acting Assistant Director for the Policy and Research Branch of the former United Nations Centre on Transnational Corporations said that despite the growing role of foreign direct investment in world economy, most developing countries had remained relatively marginalized, thus presenting a serious challenge for the world community. The activities of transnational corporations were crucial factors in accelerating the growth of developing countries and in developing and disseminating technology. Finding ways of linking their activities to the needs of developing countries was a major concern. To this end, he stated that countries might want to consider ways of improving transparency in the area of foreign direct investment policies, for the benefit of policy makers as well as potential investors.

6. Most delegations commented on the expanding role of transnational corporations in the world economy. A number of delegations from developed market economies described the substantial growth in both outflows of foreign direct investment from their countries and inflows into their countries. Several developing countries attributed the growth of inflows of foreign direct investment into their economies to policy initiatives and improvements in their economic situation. One delegation noted that an emphasis on national policies and market-based approaches towards foreign direct investment had fostered free enterprise and initiative and created a climate conducive to investment. One delegation discussed the factors leading to increased inflow of foreign direct investment and suggested additional research on the factors contributing to the success of certain investment locations that would benefit all host countries. Another delegation focused on the results of foreign direct investment, including economic growth, job creation and technology transfer. Regional integration was cited by one delegation as an important factor for increased inflows of foreign direct investment. The role of transnational corporations in integrating key

economic activities across national borders was cited by several delegations as indicative of the growing importance of transnational corporations to future growth prospects throughout the world economy. One delegation suggested that investment represented the most stable and permanent form of economic interaction between nations.

7. Many delegations expressed concern about the persistent imbalances in global flows of foreign direct investment. Most delegations addressing the issue commented on the declining share of global flows going to developing countries and the extremely low level of foreign direct investment in the least developed countries and most other countries in Africa. One delegation indicated that foreign direct investments going to Central and Eastern European countries should not occur at the expense of developing countries. Some delegations drew attention to the fact that the absolute amount of foreign direct investment in developing countries had increased substantially. One delegation, speaking on behalf of a large number of developing countries, urged the undertaking of greater efforts to break the cycle of regional disparities, including efforts by home countries to educate transnational corporations regarding investment prospects in Africa and the least developed countries. Another delegation urged transnational corporations to adopt a long-term attitude towards those countries. One delegation stated that international institutions and home countries should adopt measures to increase the flow of foreign direct investment to least developed countries in support of liberalization. The same delegation stressed the need for the establishment of regional investment centres to disseminate information on host country conditions. Another delegation suggested that more research that would serve as a guide for policy makers in other countries be undertaken on the investment climate in host developing countries that had been successful in attracting foreign direct investment.

8. The continuing efforts on the part of host countries to liberalize their policy frameworks drew the attention of a large number of delegations. One delegation noted that market forces often worked slowly but were preferable to extensive interventions. Several delegations from developing countries and countries of Central and Eastern Europe described changes in their policy regimes, including relaxation of restrictions on the operations of transnational corporations; efforts to facilitate the working of market forces, including privatization of State-owned enterprises; fiscal changes designed to reduce tax burdens and increase the profitability of investment; and programmes to improve physical infrastructure and to develop human resources and more open trade regimes. Some delegations indicated that despite liberalization efforts, they had not received the amount of foreign direct investment they had expected. They requested that a study be conducted to determine other factors considered by transnational corporations when making investment decisions. One delegation stated that the decline in military expenditures and the need to convert military production facilities to civilian uses represented an opportunity for expanded foreign direct investment. Some delegations suggested that the most valuable work of the Secretariat (keeping in mind the recent restructuring of the Economic and Social Council) would continue to be institution-building in host countries. That, they stated, would result from a focus on analysis-related dialogue and technical cooperation.

9. Most delegations shared the view that technology was a critical determinant of economic growth of all countries. Technology, including physical goods, as well as know-how used in production and marketing, was closely interlinked with economic development.

10. Many delegations observed that transnational corporations had been the major actors in development of technologies and the principal sources of technologies acquired by developing countries. In the changed international context, transnational corporations had the potential to transfer technologies not merely through foreign direct investment, but also through a variety of other cooperative arrangements including joint ventures, trade and subcontracting.

11. A number of delegations expressed the opinion that the growth-enhancing impact of technology transfer was ultimately dependent on the incentive structure faced by both foreign and domestic enterprises in acquiring, adapting, innovating upon and diffusing technologies. In this context, the importance of the creation of an enabling environment through host country public policies concerning physical infrastructure, human resources development, competition, and research and development was emphasized. In many of these areas, complementary support from the international community was also needed.

12. One delegation expressed the concern that the growing tendency towards internalization of technology by transnational corporations through networks and alliances might pose a barrier to acquisition of technologies by developing countries. Another urged the need for lifting restrictions imposed by some developed countries on technology transfer, particularly in high-technology industries.

13. A number of delegations suggested that a reporting system on laws, regulations and administrative guidelines affecting the activities of transnational corporations be established to increase the transparency of policy frameworks of host countries. One delegation, speaking on behalf of a group of countries, stated that the concept of transparency was useful and that it should be applied to both host countries and transnational corporations. In that context, another delegation stated that a catalogue of investment instruments would help countries that were seeking to attract larger amounts of foreign direct investment and potential investors. Two delegations said that the efforts involved in creating a reporting system were substantial and could duplicate efforts being undertaken in other organizations. Another delegation said that such efforts were useful and should be undertaken in concert with other international organizations.

14. In concluding the session, the Director stated that the Division already had extensive working arrangements with other organizations and would make all efforts to avoid duplication in devising its methodology for obtaining information on policy issues. The Acting Assistant Director, responding to a number of research issues raised during the discussion, stated that other international organizations had already been consulted and that no other organization was systematically and authoritatively assembling policy information on foreign direct investment. He further noted that more comprehensive research on the role of transnational corporations in economic growth was near completion. He stated that the importance of locational

factors and of policy issues as determinants of foreign direct investment required ongoing research efforts and that the general question of the role of foreign direct investment in increasing the competitiveness of nations and of firms would continue to receive attention in the research agenda of the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat.

Action taken by the Commission

15. The Commission took note of the reports of the Secretary-General on trends in foreign direct investment (E/C.10/1992/3); on transnational corporations and economic growth through technology (E/C.10/1992/4); and on transnational corporations in the new world economy: issues and policy implications (E/C.10/1992/5). The Commission commended those reports for their analytical merit. It requested the Secretariat to continue its work on foreign direct investment and the role of transnational corporations in development and to submit to the Commission on Transnational Corporations at its nineteenth session reports dealing with these matters.

Chapter III

TRANSNATIONAL CORPORATIONS IN SOUTH AFRICA

16. The Commission considered item 5 of its agenda at its 6th and 7th meetings on 10 April 1992. It had before it the following documents:

(a) Report of the Secretary-General on the role of transnational corporations in South Africa (E/C.10/1992/6 and Corr.1);

(b) Report of the Secretary-General on the list of transnational corporations with interests in South Africa (E/C.10/1992/7).

17. In introducing the item, the Assistant Director of the Transnational Corporations and Management Division of the Secretariat said that the country had reached a turning-point in its history, demonstrated by the positive results of the referendum of 17 March 1992, in which 69 per cent of the white electorate had voted for constitutional reform. A successful political transformation would require that economic prosperity be spread among a broader base of the population. At the present time, inequalities persisted, evidenced by the fact that the black population owned only 13 per cent of the land. There was also a high degree of concentration in the economy, as shown by the fact that six corporations owned over 85 per cent of the shares of the Johannesburg Stock Exchange.

18. The Secretary-General's report on the role of transnational corporations in South Africa gave an overall assessment of the impact of sanctions. The report also presented a rather optimistic overall picture for the long term, particularly as the economy was shifting towards a broader manufacturing base and as the foreign trade and investment decisions that had been put on hold before the referendum were now likely to resume their pace.

19. There was agreement among the delegations that sanctions had played a positive role in supporting the internal struggle and influencing the Government of South Africa to take steps to dismantle apartheid. It was now up to the democratic forces of the country to create new economic and commercial opportunities. Delegations commended the former United Nations Centre on Transnational Corporations for the objectivity and balanced nature of the report on transnational corporations in South Africa and for the timeliness of its conclusions, which were in line with the evolving situation.

20. There were two prevailing views among delegations regarding the monitoring of developments in the area by the United Nations. One view stressed that the phased application of appropriate economic pressure on South Africa was still required until the complete dismantlement of apartheid had taken place. A more far-reaching view was that restrictive measures had been or were in the process of being lifted in response to the changes taking place in South Africa in the direction of a democratic constitution and that the focus of the role of the United Nations in the area should shift to determine how transnational corporations could promote economic and social development in a new democratic South Africa, in the context of development in the region as a whole.

21. Within the latter context, one delegation, speaking on behalf of a group of States, felt that the following gradual decisions were needed: in the first stage a decision to lift the ban on new investments and later a decision to lift the oil embargo and the restrictive measures in the cultural, scientific, and sporting fields. Those actions would encourage positive developments in South Africa, in particular the establishment of an interim Government. That group of States was in the process of reviewing the latest application of the Code of Conduct of the European Community in the light of its usefulness as a means of promoting and influencing fundamental changes in South Africa. Through implementation of the Code, European companies had contributed to the dissemination of goals pursued by the European Community and its member States with regard to democracy, a market economy and improved labour relations, which constituted a major issue under discussion within the process of the Convention for a Democratic South Africa (CODESA). That group of States was well aware of the important role transnational corporations could play in South Africa in the creation of much needed jobs and that improvement of labour relations, which would benefit the black workforce, and of the potential activities of transnational corporations in training, and upgrading the skills of, qualified black Africans. The European Community felt that a peaceful post-apartheid South Africa would have a better chance of attracting investment and creating conditions for stable economic growth, which would benefit in particular the black workforce and also the surrounding States of the region. Regarding the future work of the Commission concerning South Africa, current changes should be taken into consideration.

22. Another delegation said that as had been stated in the Secretary-General's report, positive developments had taken place towards a new and democratic regime in South Africa. Among the major developments in that direction was the strong endorsement of reform by President De Klerk and by an overwhelming majority in the referendum held on 17 March 1992. That delegation regarded the reform process under way as irreversible. The role of the Commission would be to focus upon how transnational corporations could promote efforts for the economic and social development of a new and democratic South Africa as part of the development of the southern African region.

23. One delegation, reflecting upon the view that South Africa might generate growth for the whole region as well as the rest of Africa, felt that the role of the new South Africa emerging from the ruins of an apartheid-practising society was not a straightforward one. A democratic South Africa could not be a donor to the rest of Africa because the legacy of apartheid would require its using its domestic resources to lay the foundation for true liberty among apartheid's victims spreading the wealth among them, through employment, an equitable incomes policy, housing, health, education and training. There simply would be no surplus funds for aiding Africa. Therefore, the best possible outcome was the generation and exploitation of mutually advantageous arrangements between South Africa and the rest of Africa. The Organization of African Unity had given itself the challenge of developing an African Economic Community within 33 years. The first step involved the creation of subregional integration bodies in the parts of Africa where they did not exist. The challenge of harmonizing integration bodies in eastern and southern Africa was massive. The question was under what framework a democratic South Africa would be integrated with eastern and southern Africa. For the rest of Africa, bilateral arrangements would be the most likely

outcome. That delegation also felt that the essential task now was to remove all remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations. A critical element of this consensus was the phased application of appropriate economic pressure on South Africa.

24. Some delegations expressed agreement with the view taken in the Secretary-General's report on the potential contribution of transnational corporations in a post-apartheid South Africa. Future reports should define their role further, in particular in the field of training and entrepreneurship development.

25. A representative of a trade union organization stressed the valuable contribution of the former United Nations Centre on Transnational Corporations in the struggle for a united, non-racial, non-sexist, democratic South Africa. He deplored the haste with which Governments had rushed to relax sanctions. He stressed that high rates of employment growth would be essential to a post-apartheid South Africa. Collective bargaining would be needed to address the question of fair wages, and in that regard, a strong trade union movement would be crucial. The private sector must upgrade technology and training for new skills, while the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat must develop guidelines to encourage companies to accelerate the pace of change in training and education.

Action taken by the Commission

26. The Commission took note of the report on the role of transnational corporations in South Africa (E/C.10/1992/6 and Corr.1) and the report of the Secretary-General on the list of transnational corporations with interests in South Africa (E/C.10/1992/7).

Activities of transnational corporations in South Africa

27. At the 8th meeting, on 13 April 1992, the observer for Liberia, [3] on behalf of the African States, introduced a draft resolution (E/C.10/1992/L.7) entitled "Activities of transnational corporations in South Africa", which read as follows:

"*The Economic and Social Council*,

"*Recalling* its resolution 1992/54 of 26 July 1991,

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[3] In accordance with rule 72 of the rules of procedure of the Economic and Social Council.

"Taking note with appreciation of the report of the Secretary-General on the role of transnational corporations in South Africa, [4]

"Reaffirming the Declaration on Apartheid and its Destructive Consequences in Southern Africa, adopted by the General Assembly at its sixteenth special session, [5] which contains guidelines on how to end apartheid through genuine negotiations,

"Noting the recent developments in South Africa, including the repeal or amendment of the major apartheid laws, the formation of the Patriotic/United Front, the ongoing process of negotiations, *inter alia*, under the auspices of the Convention for a Democratic South Africa, and the outcome of the whites-only referendum of 17 March 1992,

"Gravely concerned about the escalating apartheid-inspired violence in South Africa despite the signing of the National Peace Accord on 14 September 1991,

"Reiterating the urgent need for the removal of the remaining obstacles to the creation of an atmosphere conducive to constitutional negotiations,

"Mindful of its obligations towards the complete eradication of apartheid, reaffirmed in General Assembly resolutions 44/244 of 17 September 1990, 45/176 A of 19 December 1990 and 46/79 A of 13 December 1991,

"1. Determines that, despite some recent positive developments in South Africa, the system of apartheid is yet to be totally eradicated;

"2. Reaffirms that Governments, entrepreneurs and enterprises, including transnational corporations, have comprehensive responsibilities to deny sustenance to the apartheid system and to remove the gross socio-economic inequities caused by decades of apartheid;

"3. Calls upon transnational corporations to abide by the relevant United Nations resolutions urging the international community to give its full and concerted support to the vulnerable and critical process now under way in South Africa through the phased application of appropriate economic pressure on the South African regime, as warranted by positive developments such as agreement by the parties on transitional arrangements and agreement on a new non-racial and democratic constitution;

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[4] E/C.10/1992/6 and Corr.1.

[5] General Assembly resolution S-16/1, annex.

"4. Further calls upon transnational corporations and multilateral financial and development institutions to provide assistance to the opponents of apartheid and the disadvantaged sectors of the South African society, particularly in the fields of health, education and training, employment, housing and integration of environment and development;

"5. Requests the Secretary-General:

"(a) In close cooperation with the relevant organs of the United Nations, to continue the useful work of collecting and disseminating information on the activities of transnational corporations in South Africa, including the list of transnational corporations conducting operations there;

"(b) To continue preparing studies on the level and form of operation by transnational corporations in South Africa, including their non-equity business arrangements and their involvement in particular sectors of the South African economy, and to prepare an updated study on the responsibilities of home countries with respect to the transnational corporations operating in South Africa in violation of relevant resolutions and decisions of the United Nations;

"(c) To continue examining possible contributions of transnational corporations to the construction of a united and non-racial democratic South Africa in the economic and social fields, taking into account the special need for the development of human resources, particularly the training of black South African entrepreneurs;

"(d) To report to the Commission on Transnational Corporations at its nineteenth session, the Economic and Social Council, the General Assembly and the Security Council on the implementation of the present resolution."

28. At the 11th meeting, on 16 April 1992, the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), made a statement in which he informed the Commission of the results of the informal consultations held on draft resolution E/C.10/1992/L.7 and drew the Commission's attention to a revised draft resolution (E/C.10/1992/L.7/Rev.1), which he further revised orally as follows:

(a) In operative paragraph 2, the words "have been continuously contributing to the demise of the apartheid system" were replaced by the words "have contributed to the demise of the apartheid system" and the words "valuable and critical process" were replaced by the words "vulnerable and critical process";

(b) In subparagraph 3 (b), the words "level and form of operation" were replaced by the words "level, form and responsibilities of operation" and the words "and to prepare an updated study on the responsibilities of home countries with respect to the transnational corporations operating in South Africa in violation of relevant resolutions and decisions of the United Nations" were deleted from the end of the paragraph.

29. At the same meeting, the Commission adopted draft resolution E/C.10/1922/L.7/Rev.1, as orally revised (see chap. I, sect. A, draft resolution I).

30. After the adoption of the draft resolution, statements were made by the observers for Liberia (on behalf of the African States) and Portugal (on behalf of the States Members of the United Nations that are members of the European Community).

31. The Chairman also made a statement.

Chapter IV

INTERNATIONAL ARRANGEMENTS AND AGREEMENTS RELATING TO TRANSNATIONAL CORPORATIONS

32. The Commission considered item 6 of its provisional agenda at its 7th, 8th and 11th meetings, on 10, 13 and 16 April 1992. It had before it the report of the Secretary-General on the international framework for transnational corporations (E/C.10/1992/8).

33. The Assistant Director of the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat, in her introductory remarks, noted that one of the main tasks assigned to the Commission on Transnational Corporations was to examine how transnational corporations interacted with States and to seek generally accepted standards for their activities and their treatment by Governments, with a view to facilitating their interaction with Governments. Although an agreed global set of standards had not yet emerged from these efforts, the work of the Commission had significantly contributed to a broad consensus on most issues. She stressed that the policy environment for foreign investment in developing countries and Central and Eastern European States had changed dramatically in recent years, mainly in response to changing economic conditions. Those changes reflected not only changing perceptions of the role of investors and Governments and the impact of market forces, but also new challenges that an international framework should address. Consequently, the report of the Secretary-General on the agenda item concerned for the current year had attempted to provide a realistic analysis of the existing international framework on foreign direct investment and its relevance for present policy concerns in the area. The report had found that most basic principles that had been already established in previous decades remained valid, though the manner in which some of those standards were currently being used, interpreted and applied by Governments and transnational corporations in the pursuance of their existing policy objectives might be different. At the same time, the enormous turn-about in the prevailing economic climate in Eastern Europe and in many developing countries had given a new perspective to traditional issues and defined other important ones. Increased, if not new, emphasis was now being placed on the regulation of certain aspects, such as privatization and competition. The need for adequate supervision of international securities exchange and financial markets had been emphasized by recent events. Similarly, the problem of corrupt practices in international transactions was not new but had in many respects been aggravated by the complexity of current economic exchanges. Such trends and the variety of instruments originating from the intensified normative activity that was now taking place within and between regional institutions enhanced the need for elaborating a comprehensive, balanced and universal framework of principles and standards affecting foreign direct investment and transnational corporation activity. A global framework would thus integrate and consolidate what had been achieved so far and would address also the new issues arising in the international agenda.

34. There was no discussion under this agenda item, although several delegations referred to the issues related to international arrangements and agreements under other agenda items.

35. In his closing statement the Chairman reported that the President of the General Assembly would convene, with the support of the Secretary-General, the next round of informal intergovernmental consultations on the Code of Conduct for Transnational Corporations during the substantive session of 1992 of the Economic and Social Council. As on previous occasions, these meetings would be open to the participation of all countries.

36. The President was proposing that delegations focus attention on the areas of the Code of Conduct on which agreement had been reached. Those areas would provide the basis for the Code document. Then, in so far as there were areas in which differences remain, these areas would constitute the focus of an ongoing process of discussion and review.

37. It was hoped that delegations would give their full support and cooperation to this approach to informal consultations on the Code of Conduct for Transnational Corporations. In this respect, the President wished to stress that in the process delegations should take into account the very significant developments that had taken place in international relations in the past few years. He was confident that those changes would make it possible for delegations to adopt a more flexible and pragmatic approach in these consultations than in the past, and he was convinced that the time was now right for reaching a significant and meaningful understanding between developing and developed countries in that crucial area of the world economy.

38. The President requested the Chairman of the Commission to chair the informal consultations. To facilitate those consultations, the Chairman might put forward some proposals and suggestions with a view to finding solutions to remaining differences, so as to try to reach an agreement on the maximum number of provisions reflected in the draft code. In this connection, if any delegation wished to make specific suggestions they should feel free to do so and bring them to the attention of the Chairman or the Director of the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat.

39. The informal consultations were anticipated to run for about six working days during the Economic and Social Council substantive session. The tentative dates were 6 to 13 July 1992. Arrangements would be made to notify delegations in advance on the specific dates of the informal consultations and on the proper conference facilities including those for interpretation.

Chapter V

ACTIVITIES OF THE FORMER UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS

40. The Commission considered agenda item 7 at its 7th, 8th and 9th meetings, on 10 and 13 April 1991. It had before it the following documents:

(a) Report of the Secretary-General on activities of the United Nations Centre on Transnational Corporations and of the joint units established with the regional commissions (E/C.10/1992/9);

(b) Report of the Secretary-General on experience gained in technical cooperation activities involving assistance in formulating negotiation strategies (E/C.10/1992/10);

(c) Report of the Secretary-General on information requirements for assessing the performance of corporate obligations (E/C.10/1992/11);

(d) Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its tenth session (E/C.10/1992/12).

41. The Assistant Director of the Advisory and Training Services Branch introduced the Secretary-General's report on experience gained in technical cooperation activities involving assistance in formulating negotiation strategies.

42. In the discussion that followed, the delegations stressed the importance, value and effectiveness of the technical cooperation programme of the former United Nations Centre on Transnational Corporations, despite its limited resources. Some of them expressed the hope that the recent restructuring of the Secretariat would not limit that effectiveness, but would enhance it.

43. Several delegations identified specific advisory and training services of which they were recipients and expressed their appreciation for the former Centre's expeditious response to requests for assistance. Many delegations expressed interest in increased activities in technical assistance by the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat. In this regard, a number of delegations made particular mention of certain programmes or activities, including assistance to entrepreneurs in developing countries; assistance in formulating privatization and deregulation programmes; and support of interregional, regional and subregional integration, as well as institutional development related to foreign investment.

44. Several delegations made specific suggestions on improving the delivery and reporting of the Division's technical cooperation programme through, for example, the holding of regional round tables for private investors and government officials to address issues concerning their relationship; the expanding of the Division's work in the area of good governance with the aim of securing an international agreement on curtailing the use of illicit

payments; and the undertaking of detailed project evaluations to assess expenditures incurred and benefits accrued.

45. In introducing the item as it related to the comprehensive information system on transnational corporations, an Assistant Director in charge of information services noted the significance of effective collection and use of information in ensuring the implementation of contractual obligations by host countries and transnational corporations for the benefit of both of the parties involved. He also suggested that information was an important tool for ensuring transparency and accountability of international business operations. The Assistant Director drew attention to a number of specific suggestions, contained in the paper presented, aimed at making better use of the available information and enhancing national information frameworks. He said that the development of knowledge and skills to identify and effectively use information, including data on financial, operational, environmental and developmental impact, could considerably narrow the existing information imbalance between developed and developing countries. Transnationalization reflected the fact that many companies operated within many different jurisdictions and legal frameworks, which was a cause of serious difficulty in tracking the performance of corporate obligations. In this regard the Assistant Director introduced, for the consideration of the Commission, action-oriented recommendations to amend the situation. He assured the Commission that the Division would continue to serve emerging information needs of a variety of users.

46. A number of delegations expressed their satisfaction with the former Centre's work in the collection and dissemination of information. In the view of those delegations, that activity had benefited host countries, home countries and transnational corporations as potential investors, particularly by contributing to the negotiating capability of host countries. Some delegations recommended that the information function of the Division be reinforced and further expanded in the interest of all member States.

47. Some delegations stressed the fact that objective and reliable information was of special importance for many business arrangements. Another delegation commended the timeliness and expeditiousness of the former Centre's information services. Another delegation expressed its appreciation for the publications Transnational Business Information: A Manual of Needs and Sources [6] and Transnational Corporations: A Selective Bibliography, 1988-1990, [7] which had proved to be valuable to Governments and local users, including universities and research institutions. One delegation noted that document E/C.10/1992/9 indicated an obvious need on the part of the information system's users for macroeconomic information and for information on industries and individual companies, and called for a response to the requirement by expanding that segment of the information services.

48. Some delegations viewed access to data and information as a factor contributing to the negotiating capacity of developing countries. Those

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[6] United Nations publication, Sales No. E.91.II.A.13.

[7] United Nations publication, Sales No. E.91.II.A.10.

delegations were of the view that document E/C.10/1992/11 had been useful, informative and well presented. They also felt that the policy issues addressed in the Secretary-General's report, such as those related to transfer pricing, were of equal concern to both host and home countries. Several delegations were of the opinion that further work should be done by the Division to collect, disseminate and analyse information on financial, operational, and development impacts of transnational enterprises and on the overall economic environment that would assist countries in developing and implementing appropriate regulatory frameworks.

49. A number of requests were also made with regard to future information activities of the Division, particularly to prepare manuals on information needs and reporting requirements; to assist and advise in locating sources of necessary information; to analyse the information flows in developing countries and advise on the ways to improve them; and to conduct seminars and workshops for officials and local directors of joint venture companies and other local entities.

50. The Assistant Director of the Division's Accounting and Information Support Branch described the activities of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting. Interest in that work had increased markedly owing to needs arising from the globalization of capital markets, the transition of planned economies to market economies and pressure for increased accountability in developing countries. Consequently, the Division had carried out, on behalf of the Group, an extensive programme of research and technical cooperation and prepared reports on global and national accounting issues, environmental accounting, privatization and accounting education for the Group at its tenth session, held in March 1992. In addition, the Division had supported a programme of technical cooperation in the former Union of Soviet Socialist Republics that included producing a new chart of accounts to conform to international accounting standards and training accounting professors and practitioners, as well as over 400 university students, in Western accounting methods.

51. A number of delegates commended the Division for the high quality of its research and technical cooperation in the area of accounting. During the past year, the Division and the Group had made considerable efforts to ensure that the conditions for renewal of the Group's mandate were fulfilled and, specifically, that the work would take on a more operational focus. One delegation commended the Division and the Group for their work on environmental accounting and the recommendations finalized by the Group during the year. The delegation emphasized that enterprises would have to improve information disclosure on their environmental activities, if their financial statements were to represent a true and fair view of the enterprise's performance. The Group was also commended for its work on privatization, as the document produced for the Group at its tenth session (E/C.10/AC.3/1992/5/Add.1-7) had provided important guidance for countries in transition.

52. Most of the delegations speaking on this agenda item commended the high quality of the former Centre's research, technical cooperation and information services. A number of delegations expressed their hope that the recent incorporation of the responsibilities of the former United Nations Centre on

Transnational Corporations into the new Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat would lead to an enhancement of the capacity to carry out the mandate of the former Centre and that the Division would be provided with the necessary resources to effectively meet its broad and multifaceted mandate.

53. One delegation, speaking on behalf of the group of developing countries, made a statement in which he expressed their appreciation of the former Centre's substantive contribution to the debate on international economic relations. It said that the restructuring of the Secretariat had in no way affected the mandate of the programme on transnational corporations and the new Transnational Corporations and Management Division should continue to serve as the focal point for all activities related to transnational corporations and foreign direct investment. The recent changes in the structure of international economic relations had created conditions, it said, that placed transnational corporations in a position to play a central developmental role. Developing countries could benefit from the evolving role of transnational corporations by improving their understanding of the area dealing with the operational and policy-related features of those entities (the area to which the new Division might especially contribute). That delegation also urged the Division to strengthen and elaborate technical cooperation activities, particularly those relating to advisory services, expert assistance in contract negotiations and training and human resource development. It also commended the work of the former Centre on environment and climate change and on the collaborative project with the United Nations Conference on Trade and Development (UNCTAD) on the interrelationship between migration and foreign direct investment. It suggested that the practice be continued of panel discussions and presentations by expert advisers to assist the Commission in understanding various perspectives and issues relating to foreign direct investment and the activities of transnational corporations. The group of developing countries also felt that the Division, in view of its neutral role, could assist them in identifying experts for advisory services to develop appropriate fiscal regimes and investment strategies and, on request, to attract foreign direct investment.

54. One delegation from a developed country supported the goals of the programme on transnational corporations identified by the Director in his introductory statement, namely assistance to Governments in supporting the functions of markets, mobilizing human resources and encouraging entrepreneurial activities. That delegation urged the Secretariat to adopt as a benchmark for its work programme the criteria of supporting national policies and market-based approaches that would foster free enterprise and initiative and create a climate conducive to investment. The same delegation suggested that the Department of Economic and Social Development of the Secretariat relinquish environmental issues, including those related to environmental accounting, to the other United Nations bodies that had a mandate and more appropriate resources for addressing those matters. That delegation stated also that in the context of strengthening the host countries' capabilities in dealing with matters related to foreign investment no United Nations body should countenance a member State's adopting performance requirements contrary to the rules of the General Agreement on Tariffs and Trade (GATT). The delegation also reminded the Commission that no contracting process could substitute for a transparent and effective legal and regulatory regime.

55. Another delegation stated that the former Centre's work had been significant not only as a way of furthering the understanding of the phenomenon of transnationalization but also as an effective contribution to international cooperation as it related to foreign direct investment. That delegation was particularly appreciative of the former Centre's broad programme of technical cooperation, specifically in the areas of expert assessment of proposed laws and regulations on foreign direct investment and of provision of host countries with verified and reliable information on foreign investment partners and foreign investment regulations elsewhere in the world. Some delegations confirmed their approval of the scope of the programme on transnational corporations as formulated in the medium-term plan for the period 1992-1997, which they felt was extensive but realistic and responsive to the interests of all member States.

56. A delegation from a least developed country spoke of the former Centre's critical role in fostering an equitable and harmonious investment climate, particularly in the developing countries. In this regard it referred to the former Centre's assistance to his country in finalizing a mining agreement with a transnational corporation and in reviewing existing national legislation for the mining and petroleum sectors. That delegation suggested that the Division should give more attention to possible environmental implications of the activities of transnational corporations, particularly by strengthening the negotiating capacity of developing countries in this area.

57. One delegation from a country in transition spoke of the particular importance of the former Centre's technical cooperation programme which, inter alia, had addressed policies aimed at the reintegration of countries of Central and Eastern Europe into the world market, facilitated privatization efforts and accountancy development and assisted in the establishment of free economic zones and in the design of appropriate regulatory frameworks on foreign direct investment. He expressed hope that the programme on transnational corporations would continue to help countries that were facing the unprecedented challenges of economic transformation, often associated with considerable social and political tensions. He particularly urged the Division to increase its efforts in the area of privatization by undertaking relevant research, collecting and disseminating information on privatization laws and regulations and undertaking training.

58. Most delegations recognized the importance of creating a favourable climate for foreign investment and emphasized recent efforts undertaken by their respective Governments to that effect. In an increasingly interrelated world economy, those efforts involved coordination and cooperation of policies at the bilateral, regional and multilateral levels.

59. One delegation noted that in the area of international arrangements and agreements relating to transnational corporations the report of the Secretary-General (E/C.10/1992/8) had made several welcome suggestions for promoting dialogue and analysis among the Commission members, most notably on such aspects as privatization and competition, transfer pricing and corrupt practices in international transactions. The delegation stressed its support of the development of further work on those subjects, within the context of the ongoing review of the work programme, to assure the relevance and pertinence of the work programme to the mandate of the Commission and also to the changing global scene. Another delegation, noting that the work on the

Code of Conduct for Transnational Corporations had begun a decade ago, said that during that decade, developing countries had faced all the market problems that developed countries had experienced. In response to those problems the developed countries had established a regulatory infrastructure for transnational corporations. Developing countries, on the other hand, had often lacked that infrastructure, and in his view, to ignore the development of the Code would waste the efforts channelled into its drafting over the years. A balanced Code addressing the responsibilities of transnational corporations and Governments was necessary and should be adopted.

60. An expert adviser made a statement on behalf of the group of expert advisers. He said that throughout the years the former Centre had developed a unique expertise and knowledge and professional skills that should not be lost or dispersed. The new Transnational Corporations and Management Division, which fully maintained the mandate of the former United Nations Centre on Transnational Corporations, should continue to serve as the focal point within the United Nations system on issues related to foreign direct investment world wide. Moreover, in the opinion of the expert advisers, the activities of the Division should be compatible in their dimensions with the increased role of foreign direct investment and transnational corporations in both the world economy and international economic relations, and with their impact on global economic development.

61. A representative of Greenpeace International made a statement in which he strongly advised the Transnational Corporations and Management Division to undertake a programme of work on the environmental impact of the activities of transnational corporations. In his view, it was essential that the international community take the necessary steps to hold transnational corporations accountable for their environmental and developmental practices. He also noted that the Code of Conduct for Transnational Corporations had provisions that, if implemented, might deal with these problems.

62. The representative of the International Chamber of Commerce (ICC) and the International Organization of Employers considered that the report of the Secretary-General contained a helpful review of the international framework within which transnational corporations operated. In particular, it recognized that far-reaching changes had taken place in that area and called attention to the manner in which many States now interpreted and applied principles as they moved to liberalize previous restrictions. It called attention to a number of issues that were either being given new emphasis or being examined from perspectives different from those in recent decades. In his view, however, the report could have made reference to the pioneering work of ICC and the international business community in that area, signalled by the adoption of the Guidelines for International Investment as early as 1974. Also, more emphasis could have been placed on the important role of the spreading network of bilateral investment treaties in the evolution of international standards on foreign direct investment. He questioned whether the rather strict categorization of issues as either those that were settled or those on which consensus was still to be achieved held in all cases and questioned the need for further work on the Code.

63. One expert adviser to the Commission observed that the world had entered a new phase of international economic relations as a result of the fundamental changes taking place in many regions. Following those changes, there had been

a deregulation of financial markets in many countries, leaving more freedom for market forces to find solutions and adjustments. However, even if self-regulation could be sufficient in the majority of cases, it would not be sufficient in all situations. In those cases where the rules of the market did not follow those of elementary ethics, certain international standards were needed to fill the void. Also in the few cases where enterprises did not follow market rules there was a risk of upsetting confidence in the economic system and hurting other working people and other enterprises. In his view, with national markets having become less regulated, the need for a global international instrument that helped to set international standards had become more urgent. While acknowledging the existence of some international instruments in that area, the observer from ICC noted that those instruments were neither universal nor comprehensive because they covered only a handful of States and normally a single issue. Therefore, in his view, there was still a vacuum that should be filled with a global, comprehensive instrument at the United Nations level. Another expert adviser echoed these ideas and stressed that the Commission and the Secretariat had an important role to play in bringing to the attention of Governments the need for clear, more harmonized rules for both the conduct and the treatment of transnational corporations. In the opinion of that expert adviser, the work of the Secretariat on such issues had to continue.

64. The representative of the International Confederation of Free Trade Unions noted that the Code of Conduct for Transnational Corporations was the only attempt to negotiate a comprehensive, balanced and universal framework for foreign direct investment. This had been a principal activity of the Commission on Transnational Corporations and of the former Centre and should continue to be so under the new structure. He noted that it appeared that the only missing element with regard to achieving such a framework was the political will to conclude negotiations for the Code. Noting that the thematic relevance of the Code had been questioned by some Governments, he expressed the view that such concerns did not hold since the Code (because of the way it had been negotiated) conferred the political legitimacy and recognition on the role of foreign direct investment in development that had been long sought by the business community. Moreover, he observed, the profound changes in the international economy had reinforced, rather than obviated, the need for a code. Minimum standards regarding information disclosure, environmental and consumer protection and labour relations were necessary. Because such standards would be universally applicable, they would not discourage but rather enhance foreign direct investment. The Confederation had never viewed the Code as the last word in North-South relations but rather as a first step in a process of greater intergovernmental cooperation and understanding between Governments and transnational corporations. If the Code negotiations were not resumed, the issues that the Code dealt with would remain unresolved.

65. In his closing statement, the Chairman noted that deliberations during the second part of the eighteenth session had clearly indicated the extremely valuable role played by the former Centre in promoting a better understanding of all the complex yet highly relevant issues relating to foreign direct investment. The former Centre had one of the largest and most successful programmes in technical assistance to developing countries on foreign direct investment.

66. Speaking for the members of the Commission, the Chairman expressed the hope that the recent reorganization of the United Nations Secretariat would in no way affect the former Centre's work priorities, nor the resources, the effectiveness and efficiency and the quality of the work undertaken by the Division. The assurances of the new Director of the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat that the reorganization would, if anything, strengthen the work of the former Centre were therefore very welcome.

67. He also read to the Commission a letter addressed to the departing Executive Director of the former United Nations Centre on Transnational Corporations.

Action taken by the Commission

68. The Commission:

(a) Took note of the reports of the Secretary-General on the activities of the United Nations Centre on Transnational Corporations and of the joint units established with the regional commissions (E/C.10/1992/9), on experience gained in technical cooperation activities involving assistance in formulating negotiation strategies (E/C.10/1992/10) and on information requirements for assessing the performance of corporate obligations (E/C.10/1992/11) and the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its tenth session (E/C.10/1992/12);

(b) Requested the Secretary-General to take into account, in the future work of the Transnational Corporations and Management Division as it related to the programme on transnational corporations, the views expressed by delegations at its eighteenth session and to submit to the Commission at its nineteenth session a report on the implementation of the programme on transnational corporations, accounting also for the activities of the joint units established with the regional commissions.

Activities of the former United Nations Centre on Transnational Corporations and of its successor, the Transnational Corporations and Management Division

69. At the 8th meeting, on 13 April 1992, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77, introduced a draft resolution (E/C.10/1992/L.6) entitled "Activities of the United Nations Centre on Transnational Corporations", which read as follows:

"*The Economic and Social Council*

"1. *Takes note* of the reports of the Secretary-General on trends in foreign direct investment, [8] on transnational corporations and economic growth through technology, 9/ on transnational corporations in the new world economy: issues and policy implications, 10/ on the international framework for transnational corporations 11/ and on the activities of the United Nations Centre on Transnational Corporations and of the joint units established with the regional commissions; 12/

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[8] E/C.10/1992/3.

"2. Reaffirms that the Commission on Transnational Corporations and the Centre on Transnational Corporations within the Transnational Corporations and Management Division of the Department of Economic and Social Development of the Secretariat are the focal points within the United Nations system for all matters concerning foreign direct investment and the activities of transnational corporations;

"3. Emphasizes the importance of the research, technical cooperation, advisory services, training programmes and information services provided by the Centre to the States Members of the United Nations and, to this end, affirms the importance of maintaining these activities and programmes as well as improving upon them, as appropriate, under the new administrative arrangements;

"4. Requests the Centre to contribute towards increasing the transparency in the area of foreign direct investment by compiling and disseminating information provided by Member States, on a voluntary and regular basis, on their laws, regulations and administrative provisions in this field;

"5. Takes note of the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting 13/ and reaffirms the importance of its work in contributing towards greater transparency in the activities of transnational corporations;

"6. Requests the Centre to continue to include in its technical cooperation activities advice on and the promotion of interregional, intraregional and subregional economic integration, including the possibilities and potential for strengthening economic and technical cooperation among developing countries; in this context, further requests the Centre to examine ways and means of assisting developing countries to set up joint ventures;

"7. Calls upon the developed countries to encourage transnational corporations to expand their economic activities in the developing countries and facilitate the transfer of environmentally sound technology through the adoption of innovative incentives;

9/ E/C.10/1992/4.

10/ E/C.10/1992/5.

11/ E/C.10/1992/8.

12/ E/C.10/1992/9.

13/ E/C.10/1992/12.

"8. Requests the Centre to strengthen its activities in matters relating to the role of transnational corporations in the development of small and medium-sized enterprises, including in the transfer of environmentally sound technology, and in the setting up of joint ventures between transnational corporations and local enterprises in developing countries;

"9. Requests the Centre to study the effects of deregulation and privatization policies in developing countries on attracting foreign direct investment flows and, in this context, to make appropriate recommendations thereon;

"10. Takes note of the fact that the ever-increasing role of transnational corporations in the international system of production and exchange has enhanced the need for international arrangements and agreements on transnational corporations and, to this end, invites the Centre to continue its useful work in this area;

"11. Encourages the Centre to strengthen and further develop the functions of the joint units established with the regional commissions, especially by developing programmes that are adapted to the needs of the respective regions;

"12. Calls on all donor countries, in particular the developed countries, to provide extra financial support for the research, advisory and information work of the Centre so as to contribute further to a better understanding between transnational corporations and developing countries;

"13. Requests the Centre to examine ways and means of strengthening activities in promoting foreign direct investment inflows to developing countries, in particular the least developed countries and the countries in Africa that have faced a drop in foreign direct investment inflows, and to report thereon to the Commission at its nineteenth session;

"14. Takes note of the conclusions of the Hague Symposium on Globalization and Developing Countries, and requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development and other organizations, to develop a joint programme on the interrelationship of investment, trade, technology and development, with a view to enhancing the contribution of transnational corporations to the development of developing countries through trade and investment, for consideration by the Commission at its nineteenth session."

70. At the 11th meeting, on 16 April, the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), introduced a draft resolution (E/C.10/1992/L.11) entitled "Activities of the former United Nations Centre on Transnational Corporations and of its successor, the Transnational Corporations and Management Division", wich was submitted by him as a result of informal consultations held on draft resolution E/C.10/1992/L.6.

71. At the same meeting, the Commission adopted draft resolution E/C.10/1992/L.11 (see chap. I, sect. A, draft resolution II).

72. In the light of the adoption of draft resolution E/C.10/1992/L.11, draft resolution E/C.10/1992/L.6 was withdrawn by its sponsors.

73. After the adoption of the draft resolution, statements were made by the representatives of the United States of America, Pakistan and the United Kingdom of Great Britain and Northern Ireland.

Privatization and foreign investment in the context of economic restructuring

74. At the 10th meeting, on 14 April 1992, the representative of Poland introduced a draft resolution (E/C.10/1992/L.9) entitled "Privatization and foreign investment", on behalf of Argentina, Poland, Romania, the Russian Federation, the United States of America and Uruguay. Czechoslovakia subsequently joined in co-sponsoring the draft resolution, which read as follows:

> "The Commission on Transnational Corporations,
>
> "Recognizing the fact that numerous countries attach growing importance to deregulation, the privatization of enterprises, competition and demonopolization of their economic activities as means to increase economic growth and development,
>
> "Stressing the important role that investment - in particular, foreign investment - can play in the processes of privatization in these countries,
>
> "Taking into account the difficulties these countries encounter in the processes of privatization, deregulation and demonopolization of their economic activities, *inter alia*, owing to lack of developed capital markets, managerial skills, adequate infrastructure and means of valuating assets,
>
> "Noting the work the United Nations Centre on Transnational Corporations has performed so far in analysing new approaches to the processes of privatization, deregulation and demonopolization of economic activities, such as debt equity swaps,
>
> "1. Requests the Secretary-General, in coordination with appropriate international organizations acting in this area, to enhance technical cooperation activities in order to assist interested countries in implementing their privatization, demonopolization and deregulation strategies, through, where appropriate, stronger involvement of the business community, foreign investment and transnational corporations;
>
> "2. Invites the Secretary-General to further explore new approaches and case-by-case studies of foreign investment to the privatization and deregulation processes and to the demonopolization of economic activities, including, *inter alia*, the utilization of debt equity swaps in these processes;

"3. Recognizes the need to diversify sources of funding for research and technical cooperation activities and, to that end, invites voluntary contributions to the Trust Fund for the United Nations Centre on Transnational Corporations Technical Cooperation Programme, and requests the Secretary-General to seek to mobilize resources from various sources, including non-governmental organizations, and to report the results to the Commission at its twentieth session."

75. At the 11th meeting, on 16 April, the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), introduced a draft resolution (E/C.10/1992/L.10) entitled "Privatization and foreign investment in the context of economic restructuring", which was submitted by him as a result of informal consultations held on draft resolution E/C.10/1992/L.9.

76. At the same meeting, the Commission adopted draft resolution E/C.10/1992/L.10 (see chap. I, sect. A, draft resolution III).

77. In the light of the adoption of draft resolution E/C.10/1992/L.10, draft resolution E/C.10/1992/L.9 was withdrawn by its sponsors.

78. After the adoption of the draft resolution, the representative of the Russian Federation made a statement.

Chapter VI

QUESTION OF EXPERT ADVISERS

79. The Commission considered item 8 of its provisional agenda at its 9th meeting, on 13 April 1992.

80. The Director of the Transnational Corporations and Management Division indicated that the selection of expert advisers to the Commission on Transnational Corporations, which took place every two years, was one of the tasks before the Commission at the present session. He observed that the group of independent experts was a unique feature of the Commission. It had been created to assist the Commission and the former Centre in providing advice on matters under consideration. In that way, the multidisciplinary nature of the Commission had been enhanced. As in the past, the present group of expert advisers had contributed in significant ways to the implementation of the Commission's mandate and had also been helpful in designing and interpreting major aspects of the former Centre's work programme. The Director expressed his gratitude in particular to those expert advisers who were retiring at this session for their dedication to the goals of the Commission and for the so generous sharing of their knowledge and experience.

81. He then referred to the nominees for the position of expert adviser. He observed that the names of candidates from business and other backgrounds had not been included, since their nominations could not have been confirmed in time (before the meeting). Therefore, he proposed that the Commission leave those positions open and authorize the Director of the Division, in consultation with the Chairman of the Commission, to fill those positions as soon as the nominations were confirmed.

Action taken by the Commission

82. The Commission:

(a) Thanked the retiring expert advisers for their valuable contribution and decided to select the following expert advisers to serve until the end of the twentieth session:

Academic background

Peter HANSEN (Denmark)	Born:	1941
	Education:	Doctor of Philosophy (Ph.D.), economics, law and politics, Aarhns University
	Present post:	Professor at the Copenhagen School of Economics

Posts held: Executive Director of the United Nations Centre on Transnational Corporations; Professor of Social Sciences, Odense University; Assistant Professor, Odense University

Ivan IVANOV
(Russian Federation)

Born: 1934

Education: Ph.D., economics, University of Moscow

Present post: Deputy Director, Institute of Foreign Economic Studies, Moscow

Posts held: Chief of Economics Department, State Foreign Economic Commission of the Soviet Council of Ministers; Professor at the Institute of World Economy and International Relations, Moscow; Economic affairs officer, UNCTAD Secretariat; Chief of Division, Institute of United States and Canadian Studies, Moscow

(b) Authorised the Director of the Division, in consultation with the Chairman of the Commission, to fill the other vacant posts for the position of expert adviser as soon as the nominations were confirmed.

* * *

83. In his concluding statement, the Chairman of the Commission read a statement by Mr. Gösta Karlsson, on behalf of the expert advisers to the Commission, in which they expressed their grave concern regarding the situation of one of the expert advisers to the Commission, Mr. Chakufwa Chihana.

Chapter VII

PROVISIONAL AGENDA FOR THE NINETEENTH SESSION OF THE COMMISSION

84. The Commission considered item 9 of its agenda at its 11th meeting, on 16 April 1992. It had before it the provisional agenda for the nineteenth session approved by the Economic and Social Council at its second regular session of 1991 (decision 1991/285).

85. At the same meeting, the Commission decided to include in the documentation two reports relating to transnational corporations and the environment and the activities of transnational corporations in South Africa, to be submitted under item 7 of the provisional agenda, which was corrected to read "Activities of the Transnational Corporations and Management Division and its joint units". The Commission then decided to recommend to the Economic and Social Council approval of the provisional agenda and documentation for the nineteenth session, as orally amended (see chap. I, sect. B, above).

Chapter VIII

ADOPTION OF THE REPORT OF THE COMMISSION ON THE SECOND PART OF ITS EIGHTEENTH SESSION

86. At its 11th meeting, on 16 April 1992, the Commission adopted the draft report on the second part of its eighteenth session (E/C.10/1992/L.8 and Add.1-4), as orally revised by the Rapporteur.

Chapter IX

ORGANIZATION OF THE SESSION

A. Opening and duration of the session

87. The Commission on Transnational Corporations held the second part of its eighteenth session at United Nations Headquarters from 8 to 16 April 1992. The Commission held 9 meetings (3rd to 11th).

88. The Chairman made an opening statement.

89. Opening statements were also made by the Officer-in-Charge of the Department of Economic and Social Development of the Secretariat and the Director of the Transnational Corporations and Management Division of the Department of Economic and Social Development.

B. Attendance

90. The following States members of the Commission attended the session: Argentina, Bangladesh, Belgium, Bulgaria, Burundi, Chile, China, Colombia, Congo, Costa Rica, Czechoslovakia, Egypt, France, Gabon, Germany, Ghana, Guatemala, India, Indonesia, Iran (Islamic Republic of), Iraq, Italy, Jamaica, Japan, Kenya, Mexico, Netherlands, Pakistan, Peru, Philippines, Poland, Republic of Korea, Romania, Russian Federation, Sierra Leone, Sudan, Swaziland, Sweden, Switzerland, Thailand, Tunisia, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Zambia and Zimbabwe.

91. The following expert advisers attended the session: José Maria Basagoiti (Mexico), Antonio Colombo (Italy), Peter Frerk (Germany), Gösta Karlsson (Sweden), Samuel Esson Kwesi Jonah (Ghana), Wang Linsheng (China), Lawrence C. McQuade (United States of America), Karl-Erik Onnesjo (Sweden), Sylvia Ostry (Canada), Rudolf A. Oswald (United States of America), Oscar Schachter (United States of America) and Nikolai Zaitsev (Russian Federation).

92. The following States Members of the United Nations were represented as observers: Algeria, Australia, Belarus, Bolivia, Brazil, Cuba, Haiti, Hungary, Libyan Arab Jamahiriya, Mauritania, Nicaragua, Senegal and Turkey.

93. The following specialized agencies were represented: International Labour Organisation, World Bank, United Nations Industrial Development Organization.

94. The following non-governmental organizations in consultative status with the Economic and Social Council, category I, were represented by observers: International Chamber of Commerce, International Confederation of Free Trade Unions, International Organization of Consumers Unions, World Federation of Trade Unions.

95. The following non-governmental organization in consultative status with the Economic and Social Council, category II, was represented by an observer: Greenpeace International.

C. Election of officers

96. At its 1st and 2nd meetings, on 23 and 25 January 1992, the Commission had elected a Chairman, two Vice-Chairmen and a Rapporteur (see document E/1992/26, para. 32).

97. At the 4th meeting, on 8 April 1992, the Commission elected by acclamation Ms. Lucille Mair (Jamaica) as Vice-Chairman of the Commission to replace Mr. Herbert Samuel Walker (Jamaica), who had been elected at the 2nd meeting of the Commission, on 25 January 1992.

98. The remaining post of Vice-Chairman was not filled.

99. The Bureau of the Commission, as elected at its 1st, 2nd and 4th meetings, on 23 and 25 January and 8 April 1992, was thus as follows:

Chairman: Mr. Farook Sobhan (Bangladesh)

Vice-Chairmen: Mr. Albert Mudenda Muchanga (Zambia)
Ms. Lucille Mair (Jamaica)

Rapporteur: Mr. Wojciech Ponikiewski (Poland)

D. Adoption of the agenda and organization of work

100. At its 3rd meeting, on 8 April, the Commission adopted the provisional agenda contained in document E/C.10/1992/1/Add.1 (see annex I).

E. Documentation

101. The documents before the Commission at the second part of its eighteenth session are listed in annex II.

Annex I

AGENDA OF THE SECOND PART OF THE EIGHTEENTH SESSION

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. General discussion on transnational corporations in the world economy and trends in foreign direct investment in developing countries.
4. Transnational corporations and the environment.
5. Transnational corporations in South Africa.
6. International arrangements and agreements relating to transnational corporations.
7. Activities of the former United Nations Centre on Transnational Corporations and its joint units.
8. Question of expert advisers.
9. Provisional agenda for the nineteenth session of the Commission.
10. Adoption of the report of the Commission on the second part of its eighteenth session.

Annex II

DOCUMENTS BEFORE THE COMMISSION AT THE SECOND PART OF ITS EIGHTEENTH SESSION

Document symbol	Agenda item	Title or description
E/C.10/1992/1/Add.1	2	Provisional agenda (Part II)
E/C.10/1992/3	3	Report of the Secretary-General on trends in foreign direct investment
E/C.10/1992/4	3	Report of the Secretary-General on transnational corporations and economic growth through technology
E/C.10/1992/5	3	Report of the Secretary-General entitled "Transnational corporations in the new world economy: issues and policy implications"
E/C.10/1992/6 and Corr.1	5	Report of the Secretary-General on the role of transnational corporations in South Africa
E/C.10/1992/7	5	Report of the Secretary-General entitled "List of transnational corporations with interests in South Africa"
E/C.10/1992/8	6	Report of the Secretary-General on the international framework for transnational corporations
E/C.10/1992/9	7	Report of the Secretary-General on the activities of the United Nations Centre on Transnational Corporations and of the joint units established with the regional commissions
E/C.10/1992/10	7	Report of the Secretary-General on experience gained in technical cooperation activities involving assistance in formulating negotiation strategies
E/C.10/1992/11	7	Report of the Secretary-General on information requirements for assessing the performance of corporate obligations

Document symbol	Agenda item	Title or description
E/C.10/1992/12	7	Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its tenth session
E/C.10/1992/L.5	2	Status of documentation for the session
E/C.10/1992/L.6	3, 6, 7	Activities of the United Nations Centre on Transnational Corporations: draft resolution submitted by Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77
E/C.10/1992/L.7 and Rev.1	5	Activities of transnational corporations in South Africa: draft resolution submitted by Liberia, on behalf of the African States
E/C.10/1992/L.8 and Add.1-4	10	Draft report
E/C.10/1992/L.9	7	Privatization and foreign investment: draft resolution submitted by Argentina, Czechoslovakia, Poland, Romania, the Russian Federation, the United States of America and Uruguay
E/C.10/1992/L.10	7	Privatization and foreign investment in the context of economic restructuring: draft resolution submitted by the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), as a result of informal consultations held on draft resolution E/C.10/1992/L.9
E/C.10/1992/L.11	3, 6, 7	Activities of the former United Nations Centre on Transnational Corporations and of its successor, the Transnational Corporations and Management Division: draft resolution submitted by the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), as a result of informal consultations held on draft resolution E/C.10/1992/L.6

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